

# **Original Application**

Maxim Health Care Services, Inc.  
Brentwood (Davidson Co.)

**CN1803-013**



**CERTIFICATE OF NEED APPLICATION  
BY  
MAXIM HEALTHCARE SERVICES  
TO  
EXPAND ITS SERVICE AREA  
IN MIDDLE TENNESSEE**

**Filed March 2018**

# CERTIFICATE OF NEED APPLICATION

## SECTION A: APPLICANT PROFILE

### 1. Name of Facility, Agency, or Institution

Maxim Healthcare Services, Inc.			
<i>Name</i>			
115 East Park Drive, Suite 200		Williamson	
<i>Street or Route</i>		<i>County</i>	
Brentwood	TN	37027	
<i>City</i>	<i>State</i>	<i>Zip Code</i>	
www.maximhealthcare.com			
<i>Website Address</i>			

### 2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
<i>Name</i>		<i>Title</i>	
Development Support Group		jwdsg@comcast.net	
<i>Company Name</i>		<i>E-Mail Address</i>	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
CON Consultant	615-665-2022	615-665-2042	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

**NOTE:** **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures. Please answer all questions on 8.5" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed and signed notarized affidavit.

### **3. SECTION A: EXECUTIVE SUMMARY**

#### **A. Overview**

Please provide an overview **not to exceed three pages in total**, explaining each numbered point.

**(1) Description (Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.)**

#### **This Project**

- Maxim Healthcare Services, Inc. ("Maxim") operates an unrestricted, licensed home health agency with its principal office in Williamson County. That agency is licensed to serve 9 Middle Tennessee counties: Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties.
- This application proposes to expand Maxim's authorized 9-county Middle Tennessee service area to include 7 additional Middle Tennessee counties: Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury Counties. These adjoin the southeast, south, and southwest sides of the current Maxim service area. This project is the next step in a long-range plan for orderly expansion of pediatric and TennCare services throughout Tennessee. Prior steps have been consistently approved by the CON Board over the past decade, in granting Maxim approval for service areas in counties around Memphis, Nashville, Chattanooga, and Johnson City. This application will extend services to more rural residents of southern Middle Tennessee.
- Maxim's principal office in Williamson County will manage services in the proposed counties. The project will not require capital expenditures other than for the CON process. The expansion will not require additional agency staff. The number of patients served by Maxim is very small relative to many home health agencies; and this facilitates expansion of service areas at minimal additional capital or operating costs.
- If granted Certificate of Need approval during 2018, service to these counties will begin no later than January 1, 2019, making CY2019 Year One for the project.

#### **Maxim's Scope of Services**

- Maxim holds five Tennessee home health agency licenses, covering 47 counties surrounding the State's five largest urban areas--approximately half of the State.
- Maxim is known for its specialization in pediatric home health care (56% of its patients are ages 0-17), and for service to TennCare enrollees (Statewide, 84% of its patients and 92% of its gross revenues are TennCare). It is also a leader in quality of service. Maxim is partnered with Johns Hopkins University School of Nursing to provide nurses with an interactive training program to prepare them for superior emergency management of home mechanical ventilation.
- Home Health services are provided as either "visits" (reimbursed at a flat rate) or "hours" (reimbursed hourly). Maxim does not offer home health visits in competition with other home health agencies. Maxim specializes in providing private duty hourly care to medically complex patients, especially pediatric patients.

- Maxim's private duty patients typically are TennCare and commercially insured patients who need more complex daily care than can be delivered in only a 1- to 2-hour visit. Visits by other agencies usually involve brief, specific tasks such as wound care, physical therapy, and administration of medication. In contrast, "private duty" care (which includes TennCare and commercial patients) typically delivers 4 to 24 hours of attendance and care, by skilled nurses and aides.

- Private duty care includes medical procedures for ventilator care, complex IV therapy and palliative care, for patients with cardiovascular, respiratory, renal, blood, orthopedic, neurological, immunologic, and infectious disease disorders. Private duty patients are dependent on technology-based medical equipment requiring constant nursing supervision, visual assessment, and monitoring of both equipment and child. Private duty services include:

- Ventilator and tracheotomy care;
- Feeding tube care and management, including flushes, feedings, and medication;
- Diabetes management
- Seizure management, including administering medications and safety precautions;
- Ostomy care;
- Administering medications and/or therapies;
- Coordinating home medical equipment, pharmacy, and supplies;
- Educating, training, and supporting the family;
- Assisting with range-of-motion exercises;
- Performing personal care (bathing; grooming; etc.);
- Developmental activities (games, crafts, reading, etc.)

- Maxim is well regarded by children's hospitals and other referral sources in the five urban regions it already serves around Memphis, Nashville, Chattanooga, Knoxville, and Johnson City. Physicians and nurses at Monroe Carrell Children's Hospital at Vanderbilt, Saint Thomas Rutherford Hospital, Mercy Community Healthcare and Old Harding Road Pediatrics have provided letters of support for expanding Maxim's availability in more rural areas.

- Maxim does not compete with home health agencies for Medicare patients, who are the most important source of revenue for almost all other home health agencies. Maxim is focused on younger patients and pediatric patients, and on serving the TennCare population. To participate in TennCare--and Maxim is contracted with all the MCO's in Tennessee--an agency has to have a Medicare number. That number is available if an agency serves only one Medicare patient a year. Years ago, Maxim committed to the CON Agency to serve only the minimum number of Medicare patients necessary to hold a Medicare number and be eligible to serve TennCare patients. That commitment has been kept.

## **(2) Ownership Structure**

- Maxim Healthcare Services, Inc. is based in Columbia, Maryland. It holds five Home Health Agency licenses in Tennessee, covering 47 counties in groupings centered on the State's five largest urban areas. Maxim is owned by the following entities and persons:

Oak Investment Trust	39.8860%
Oak Investment Trust II	39.3542%
Stephen Bisciotti	19.9430%
William Butz	0.8168%

### **(3) Service area**

- The project's proposed service area is a group of 7 Middle Tennessee counties that wrap around the southwest, south, and southeast sides of the applicant's current 9-county service area that surrounds Nashville. The proposed additional counties are Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury Counties. If approved, Maxim's total Middle Tennessee service area will expand to 16 counties.

### **(4) Existing similar service providers**

- There are 46 full-service home health agencies licensed to serve one or more of these counties, at the present time. However, more than half of 46 agencies serve only 1-3 of the 7 counties in the project service area. Only 10 of the 46 agencies served any pediatric patients last year; and 18 of them served no TennCare patients at all. Maxim is not very similar to most of the area's agencies, in that Maxim focuses much more on pediatrics, much more on TennCare, and not at all on Medicare patients.

### **(5) -(6) Project cost and Funding**

- The project cost of \$90,000 reflects only the potential costs of the CON process; the project does not require additional leased space, additional equipment, or any construction.
- All required funding will be provided by Maxim Healthcare Services, Inc. and it will be expended prior to the CON decision. Implementation will be funded from normal operating revenues.

### **(7) Financial feasibility, including when the proposal will realize a positive financial margin; and**

- The applicant currently operates with a positive financial margin. The expansion of the agency will require no additional capital costs and is projected to continue to operate with a positive margin and positive cash flow.

### **(8) Staffing**

- Clinical caregiver staff, but not central office staff, will be added to serve these counties. Addition of 17 FTE's is projected, all clinical caregivers.

## **B. Rationale for Approval**

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B of this application. Please summarize, in one page or less, each of the criteria.

### **(1) Need**

Physicians and nurses of Vanderbilt Children's Hospital, Saint Thomas Rutherford Hospital, Mercy Community Healthcare, and Old Harding Road Pediatrics, among others, have written letters of support citing the need for Maxim to be approved for service to these rural counties.

Dr. David Hall is on the Vanderbilt School of Medicine faculty, and serves as Section Head for Monroe Carrell Jr. Children's Hospital at Vanderbilt's "Program for Children With Medically Complex Needs". He states that for children with complex care needs, it is *"particularly challenging to find needed home nursing in areas away from the largest population centers...many of our families ...are unable to fill needed nursing shifts due to a lack of available nurses. The supply of home providers clearly does not meet the need..."*

Dr. Hall's experience is echoed by that of Sarah Wilkerson, PNP of the same program, a Professor of Clinical Pediatrics at Vanderbilt. She notes that *"we often find it difficult to obtain pediatric private duty nursing services in (the project service area)."*

Primary Care and Pediatric physicians at Mercy Community Healthcare write that *"we currently have limited agencies available to serve our patient population"* in Maury and Marshall Counties, which they serve.

The reasons for their experience are suggested by Joint Annual Report data for the proposed service area. Briefly put, of the 46 home health agencies authorized to serve some or all of these 7 counties, relatively few serve pediatric or TennCare patients, and the few who offer both pediatric care and TennCare accessibility are serving very small numbers of pediatric patients.

For example, in 2017 only 10 (22%) of the 46 agencies served any pediatric patients, and their unduplicated pediatric cases ranged from only 1 to 22 patients, for a total of 72 patients. Only 3 agencies served more than 8 pediatric cases a year. In TennCare, 18 agencies took no TennCare patients, and only 11 agencies received 20% or more of their revenues from TennCare.

This contrasts with Maxim in 9 counties of Middle Tennessee. Last year, Maxim's Middle Tennessee agency cared for 160 pediatric patients (69.3% of its total patients), and received 92.4% of its gross revenues from service to TennCare. The volume of pediatric patients served by Maxim in this area does reflect a much larger population than in the 7 proposed counties--but the point here is the difference in pediatric experience of the Maxim nursing teams (160 patients a year) compared to teams of other agencies who cared for fewer than 2 patients a month. Giving patient families a choice of Maxim as a private duty provider will benefit patient care in the region.

The State Health Plan methodology for projecting home health needs calculated a surplus, not a need, for additional home health capacity (i.e. providers) in this area. However, it raises questions. In this area, more than twice as many home health patients were actually cared for in 2017, as were projected to need care in 2020 under the State Health Plan methodology. And because the area is aging by 2020, it should require even more home health care in the future than it did in 2017--not half as much. The applicant respectfully asks the HSDA Board to place more weight on the testimony of physicians and nurses who serve patients in these counties, than on the current State Plan projection.

## **(2) Economic Feasibility**

The applicant's current operation has a positive cash flow and operating margin; and the expanded agency will continue to be positive in cash flow and margin. The project requires minimal funding, all of which will be made available and expended prior to the CON decision. Maxim Healthcare is a national company with sufficient resources to fully fund those expenses.

## **(3) Appropriate Quality Standards**

The applicant is an existing agency that is licensed by the State of Tennessee and is in compliance with licensure requirements. The applicant is fully accredited by the Accreditation Commission for Health Care, a national accrediting organization identified in the State Health Plan as an appropriate accrediting body.

Maxim has a comprehensive quality improvement program utilizing continuous data review and performance evaluations of its caregiving staff. It has partnered with Johns Hopkins University School of Nursing, in developing a state-of-the-art Home Mechanical Ventilation interactive on-line training program for nurses who provide ventilator home care for pediatric and other patients.

## **(4) Orderly Development of adequate and effective health care**

The project reflects an orderly approach to extending Maxim's complex and financially accessible services across a steadily growing number of Tennessee counties--in this instance, farther into rural counties in Middle Tennessee. Expansions have been proposed by Maxim Healthcare Services to the CON Board for more than a decade, and all of those applications have been approved.

Maxim has pledged to the CON agency in every application not to compete with existing agencies for their Medicare patients, and Maxim has kept that commitment. It has enabled Maxim to obtain a Medicare number and thereby to care for the State's TennCare patients, in particular to hundreds of children whose only financial resource is the TennCare program.

**C. Consent Calendar Justification**

**If consent calendar is requested, please provide the rationale for an expedited review. A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.**

Consent calendar review is not requested.

**SECTION A (CONTINUED): PROJECT DETAILS**

**4.A. Owner of the Facility, Agency, or Institution**

Maxim Health Services, Inc.		
<i>Name</i>	<i>Phone Number</i>	
7227 Lee DeForest Drive		Howard (MD)
<i>Street or Route</i>	<i>County</i>	
Columbia	MD	21046
<i>City</i>	<i>State</i>	<i>Zip Code</i>

**B. Type of Ownership or Control (Check One)**

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)	x	I. Other (Specify):	
E. Corporation (Not-for-Profit)			

**Attach** a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website <https://tnbear.tn.gov/Ecommerce/FilingSearch.aspx>.

See Attachment Section A-4A.

**Describe** the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

Please see Attachment Section A-4A. It provides the names and ownership interests of persons who own Maxim Healthcare Services, Inc., which directly holds all five Maxim home health agency licenses in Tennessee. No organization chart appears to be required in that the CON applicant has no parent company.

**5A. Name of Management/Operating Entity (If Applicable)**    Not Applicable

*Name*

*Street or Route*

*County*

*City*

*State*

*Zip Code*

*Website Address*

**For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.**

Not applicable.

**6A. Legal Interest in the Site of the Institution (Check One)**

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of 7 Years	x		

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

See Attachment Section A-6A.

**6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site, on an 8.5" X 11 sheet of white paper, single-sided. Do not submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.**

**(1) Plot Plan must include:**

- a. Size of site (in acres);
- b. Location of structure on the site;
- c. Location of the proposed construction/renovation; and
- d. Names of streets, roads, or highways that cross or border the site.

See Attachment Section A-6B-1.

**(2) Attach a floor plan drawing for the facility, which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8.5" X 11" sheet of paper or as many as necessary to illustrate the floor plan.**

See Attachment Section A-6B-2.

**(3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.**

See Attachment Section A-6B-3.

**7. Type of Institution (Check as appropriate—more than 1 may apply)**

A. Hospital (Specify):		H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		I. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency	x	K. Residential Hospice	
E. Hospice		L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital		M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID			

**8. Purpose of Review (Check as appropriate—more than 1 may apply)**

A. New Institution		F. Change in Bed Complement <i>Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation</i>	
B. Modifying an ASTC with limitation still required per CON		G. Satellite Emergency Department	
C. Addition of MRI Unit		H. Change of Location	
D. Pediatric MRI		I. Other (Specify): Expand certified county service area	
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)			

**9. Medicaid/TennCare, Medicare Participation**

MCO Contracts (Check all that apply:			
<input checked="" type="checkbox"/> Amerigroup	<input checked="" type="checkbox"/> United Healthcare Community Plan	<input type="checkbox"/> BlueCare	
TennCare Select			
Medicare Provider Number: 44-7580			
Medicaid Provider Number: 5441953			
Certification Type: Home Health Agency			
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?			
Medicare	Yes	No	N/A
Medicaid/TennCare	Yes	No	N/A

**10. Bed Complement Data Not applicable.**

*A. Please indicate current and proposed distribution and certification of facility beds.)*

	<b>Beds Currently Licensed</b>	<b>Beds Staffed</b>	<b>Beds Proposed</b>	<b>*Beds Approved</b>	<b>**Beds Exempt</b>	<b>TOTAL Beds at Completion</b>
1. Medical						
2. Surgical						
3. ICU/CCU						
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric						
8. Geriatric Psychiatric						
9. Child/Adolescent Psychiatric						
10. Rehabilitation						
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
<b>TOTAL</b>						

*\* Beds approved but not yet in service*

*\*\* Beds exempted under 10%/3 yrs provision*

**B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.**

Not applicable.

**C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.**

Not applicable.

<u>CON Number</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
CN XXX-XXX	XX-XX-XX	XXX

**11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:**

See Table on following page.

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	X	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	X	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	X	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	X
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mauzy	<input type="checkbox"/>	<input type="checkbox"/>	X
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	X	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	X	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	X	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	X	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	X	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	X	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	X	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	X	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	X	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	X	X	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	X	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

### 13. MRI, PET, and/or LINEAR ACCELERATOR

**Describe** the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000, or is initiating pediatric MRI in counties with population greater than 250,000, **and/or describe** the acquisition of any Positron Emission Tomography (PET) unit or Linear Accelerator unit if initiating the service by responding to the following:

#### A. Complete the Chart below for acquired equipment.

Not applicable.

LINEAR ACCELERATOR	
Mev:	Total Cost*: \$
Types: (indicate one)	By Purchase? _____
____ SRS	By Lease? _____
____ IMRT	
____ IGRT	Expected Useful Life (yrs): _____
____ Other :	New? _____
	Refurbished? _____
	If not new, how old (Yrs)? _____

MRI	
Tesla:	Total Cost*: \$
Magnet: (indicate one)	By Purchase? _____
____ Breast	By Lease? _____
____ Extremity?	
____ Open?	Expected Useful Life (yrs): _____
____ Short Bore?	New? _____
____ Other -- _____	Refurbished? _____
	If not new, how old (Yrs)? _____

PET	
PET Only? _____	Total Cost*: \$
	By Purchase? _____
PET/CT? _____	By Lease? _____
PET/MRI? _____	Expected Useful Life (yrs): _____
	New? _____
	Refurbished? _____
	If not new, how old (Yrs)? _____

*\*As defined by Agency Rule 0720-9-.01(13)*

**B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.**

Not applicable.

**C. Compare the lease cost of the equipment to its fair market value. Note: Per Agency rule, the higher cost must be identified in the project cost chart.**

Not applicable.

**D. Schedule of Operations:** Not applicable.

Location	Days of Operation (Sun-Sat)	Hours of Operation
Fixed Site (Applicant)		
Mobile Locations		
Applicant		
Name of other location		
Name of other location		
Name of other location		
Name of other location		
Name of other location		

**E. Identify the clinical applications to be provided, that apply to the project.**

Not applicable.

**F. If the equipment has been approved by the FDA within the past five years, provide documentation of the same.**

Not applicable.

## **SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED**

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. *If a question does not apply to your project, indicate “Not Applicable (NA).”*

### **QUESTIONS**

#### **NEED**

**1. Provide a response to each criterion and standard in Certificate of Need categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the THSDA or found on the agency’s website at <http://tjn.gov/hsda/article/hsda-criteria-and-standards>.**

**STATE HEALTH PLAN  
CERTIFICATE OF NEED STANDARDS AND CRITERIA  
FOR  
HOME HEALTH SERVICES**

**Standards and Criteria--State Health Plan**

- 1. Determination of Need: In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county. This 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed Service Area.**
- 2. The need for home health services should be projected three years from the latest available year of final JAR data.**
- 3. The use rate of existing home health agencies in each county of the Service Area will be determined by examining the latest utilization rate as calculated from the JARs of existing home health agencies in the Service Area. Based on the number of patients served by home health agencies in the Service Area, an estimation will be made as to how many patients could be served in the future.**

Following this page is a table of the State Plan need methodology, projecting home health agency needs by service area county to 2020, which is the 3-year planning horizon specified above. Based on the 1.5% criterion and the most recent (2017) home health agency Joint Annual Reports, the Plan methodology indicates a need for treating 4,497 patients in 2020, with an agency capacity to treat 10,958 patients, which indicates a surplus capacity of 6,460 patients (i.e., no need for more home health capacity). However, this projected surplus appears to be unrealistic. The applicant respectfully submits that the HSDA's evaluation should not be constrained by the projection methodology.

First, the projection methodology is stated as a "general guideline" and it uses a simple 1.5% "need" planning factor for each county's population. A one-size-fits-all methodology is not always sensitive to the special needs of certain sectors of the service area population such as pediatric patients and TennCare patients who may have limited access to services they need.

Second, the State Plan projection methodology provides projections that seem irreconcilable with current experience. In 2017, the State projection table on the next page shows that 10,646 unduplicated home health agency patients were actually served in the area in 2016-2017, which is an evidence-based indicator of need. That actual utilization was more than twice the 4,497 future patient need projected by the State Plan formula for 2020. However, the service area population is both aging and increasing. This suggests that more patients will need to be served in future years, rather than half the number that are now being served.

Table Need-State Plan Standard 3: Projection of Home Health Agency Need (Surplus) in Project Service Area Using State Health Plan Methodology									
Service Area	Agencies Licensed to Serve	Agencies Report Serving	Total Patients Served	Estimate 2017 Population	Use Rate	Projected 2020 Population	Projected Capacity	Projected Need (.015 x 2020 Pop.)	Need or (Surplus) for 2020
Bedford	20	16	1,563	50,301	0.0310729409	51,961	1,615	779	(835)
Cannon	17	14	873	14,562	0.0599505562	14,838	890	223	(667)
Coffee	22	18	2,773	56,423	0.0491466246	57,865	2,844	868	(1,976)
DeKalb	23	15	962	19,796	0.0485956759	20,206	982	303	(679)
Hickman	22	18	664	26,619	0.0249445885	27,363	683	410	(272)
Marshall	19	18	3,094	33,491	0.0923830283	34,648	3,201	520	(2,681)
Maury	22	717	717	89,512	0.0080100992	92,944	744	1,394	650
<b>Total</b>	<b>145</b>	<b>816</b>	<b>10,646</b>	<b>290,704</b>		<b>299,825</b>	<b>10,958</b>	<b>4,497</b>	<b>(6,460)</b>

Source: TDH Health Statistics 3-12-18.

\*FYE 2017 is the most recent year of Joint Annual Report data for Home Health Agencies.

\*\*Data is projected three years from the latest available year of final Home Health Joint Annual Report data.

\*\*\*Totals are rounded numbers and may not add exactly to the whole numbers shown in the table.

Population Data Source: The University of Tennessee Center for Business and Economic Research (UTCBER) Projection Data Files,

reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment.

Note: Population data will not match the UTCBER data exactly due to rounding.

**4. County Need Standard:** The applicant should demonstrate that there is a need for home health services in each county in the proposed Service Area by providing documentation (e.g., letters) where: a) health care providers had difficulty or were unable successfully to refer a patient to a home care organization and/or were dissatisfied with the quality of services provided by existing home care organizations based on Medicare's system Home Health Compare and/or similar data; b) potential patients or providers in the proposed Service Area attempted to find appropriate home health services but were not able to secure such services; c) providers supply an estimate of the potential number of patients that they might refer to the applicant.

It is not feasible for a CON applicant to obtain physician projections of referrals or to disclose their current referrals to specific providers. Maxim's high-quality services have become known through half of the State over the past decade of its operations. The applicant has submitted letters of support from area medical professionals and service organizations, who affirm the need for the project due to difficulties in obtaining pediatric services. Support letters have been received (and are in the Attachments) from the following persons and organizations:

David Hall, M.D.  
Section Head, *Program for Children With Medically Complex Needs*  
Monroe Carrell Jr. Children's Hospital at Vanderbilt

Alex Rothman, M.D.  
Associate Professor of Pediatrics, Vanderbilt University Medical Center  
University Pediatrics (practice of 7 providers)

Sarah Wilkerson, PNP  
Professor of Clinical Pediatrics  
*Program for Children With Medically Complex Needs*  
Monroe Carrell Jr. Children's Hospital at Vanderbilt

Cathy Alber, RN  
Team Lead / Case Management  
Saint Thomas Rutherford Hospital

Paul Heil, M.D.  
Old Harding Road Pediatrics (9-member group practice)

Christine Bett-Belleau, M.D.  
Mercy Community Healthcare

Melissa Hixson, M.D.  
Mercy Community Healthcare

Abigail Ryan, M.D., Chronic Care Pediatrician  
Mercy Community Healthcare

Amy Vehec, M.D., Chronic Care Pediatrician  
Mercy Community Healthcare

Rachel Thomas, RCP, RRT, RT Medical (Home Medical Equipment)

**5. Current Service Area Utilization:** The applicant should document by county: a) all existing providers of home health services within the proposed Service Area; and b) the number of patients served during the most recent 12-month period for which data are available. To characterize existing providers located within Tennessee, the applicant should use final data provided by the JARs maintained by the Tennessee Department of Health. In each county of the proposed Service Area, the applicant should identify home health agencies that have reported serving 5 or fewer patients for each of the last three years based on final and available JAR data. If an agency in the proposed Service Area who serves few or no patients is opposing the application, that opponent agency should provide evidence as to why it does not serve a larger number of patients.

The applicant submitted three years of JAR-reported patient data for every home health agency with authorization to provide home care to patients in any of the counties in the project service area. The applicant also provided the patients each agency served within this project's service area in the last JAR reporting year (2017 JAR). None of the identified agencies that were operational in 2015-2017 reported serving five or fewer patients in all three of those years, except for Vanderbilt HC/Option Care IV Services (State ID#19394). No activity has been reported by that agency; it is possible that it has merged into another agency.

**6. Adequate Staffing:** Using TDH Licensure data, the applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and document that such personnel are available to work in the proposed Service Area. The applicant should state the percentage of qualified personnel directly employed or employed through a third party staffing agency.

Maxim's Middle Tennessee agency is an existing agency with highly qualified staff in place for its current operations. It has always been able to fill its nursing and aide positions in a timely way. None of the clinical staff serving patients from the Nashville office is employed through a third party staffing agency.

**7. Community Linkage Plan:** The applicant should provide a community linkage plan that demonstrates factors such as, but not limited to, referral arrangements with appropriate health care system providers/services (that comply with CMS patient choice protections) and working agreements with other related community services assuring continuity of care focusing on coordinated, integrated systems. A new provider may submit a proposed community linkage plan.

Maxim is an established agency with strong community linkages to medical professionals and facilities that discharge patients to home care in this region. Nashville area hospitals serve patients from throughout Maxim's current and proposed service area. Maxim representatives are in regular and frequent contact with them to be available to meet their patients' needs. Support letters provided in this application cite these relationships with Maxim and express a high degree of satisfaction with Maxim as a resource in this type of care.

**8. TennCare Managed Care Organizations (MCOs) and Financial Viability:** Given the time frame required to obtain Medicare certification, an applicant proposing to contract with the Bureau of TennCare's MCOs should provide evidence of financial viability during the time period necessary to receive such certification. Applicants should be aware that MCOs are under no obligation to contract with home care organizations, even if Medicare certification is obtained, and that Private Duty Services are not Medicare certifiable services. Applicants who believe there is a need to serve TennCare patients should contact the TennCare MCOs in the region of the proposed Service Area and inquire whether their panels are open for home health services, as advised in the notice posted on the HSDA website, to determine whether at any given point there is a need for a provider in a particular area of the state; letters from the TennCare MCOs should be provided to document such need. See Note 2 for additional information.

The applicant is already TennCare certified and contracted with the MCO's of Blue Cross Blue Shield, Amerigroup, and United Health Care Community Plan.

**Applicants should also provide information on projected revenue sources, including non-TennCare revenue sources.**

Gross revenues by payor source are projected in Table Need-6G.

**9. Proposed Charges:** The applicant's proposed charges should be reasonable in comparison with those of other similar agencies in the Service Area or in adjoining service areas. The applicant should list:

- a. The average charge per visit and/or episode of care by service category, if available in the JAR data.
- b. The average charge per patient based upon the projected number of visits and/or episodes of *care* and/or hours per patient, if available in the JAR data.

The table on the next page provides 2016 JAR data on charges per visit and charges per hour for similar area agencies that reported those.

10. **Access:** In concert with the factors set forth in HSDA Rule 0720-11-.01(1) (which lists those factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area for groups with special medical needs such as, but not limited to, medically fragile children, newborns and their mothers, and HIV/AIDS patients. *Pediatrics is a special medical needs population, and therefore any provider applying to provide these services should demonstrate documentation of adequately trained staff specific to this population's needs with a plan to provide ongoing best practice education.* For purposes of this Standard, an applicant should document need using population, service, special needs, and/or disease incidence rates. If granted, the Certificate of Need should be restricted on condition, and thus in its licensure, to serving the special group or groups identified in the application. The restricting language should be as follows: **CONDITION: Home health agency services are limited to (identified specialty service group); the expansion of service beyond (identified specialty service group) will require the filing of a new Certificate of Need application. Please see Note 3 regarding federal law prohibitions on discrimination in the provision of health care services.**

Maxim screens all of its caregivers to evaluate their experience and competencies in delivering home health services and particularly pediatric services. Nurses are given continuing medical education through both online training modules (Pediatric Care Modules) and personal mentoring and professional development by experienced clinical supervisors. Nurses coming to Maxim who have focused on adult home care go through a special training program ("Adults to Peds") with more intensive training and oversight. Mentoring nurses accompany newer personnel to patients' homes to provide hands-on supervision and instruction. Maxim's clinical nurse supervisors evaluate all staff and validate their skills and competencies.

A notable new initiative at Maxim is its partnership with Johns Hopkins University School of Nursing, to provide new training resources for nurses in Home Mechanical Ventilation (HMV), a complex type of home care where nursing competence is especially important to patient safety. This is critical for any patient but especially in pediatric home care. Maxim and Johns Hopkins are providing an interactive on-line training program to ensure that nurses are optimally prepared for emergency management of home ventilator emergencies. Please see the following two pages for articles describing the value of this partnership program.

<b>Table Need-State Health Plan Standard 9A: Cost &amp; Charge Comparisons With Service Area Agencies That Provide Similar Services</b>								
Agency*	Cost Per Visit		Charge Per Visit		Cost Per Hour		Charge Per Hour	
	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide
1	NR	NR	\$79	\$40	No JAR data is reported for this.		\$35	\$22
2	NR	NR	\$101	\$46			\$80	\$35
3	NR	NR	\$150	\$75			\$40	\$30
4	NR	NR	NR	NR			\$40	\$23
							NR	NR
Maxim State Average 2017								
2018 Medicare Reimb'mt								
Maxim Proposed Agency 2019								

Source: 2017 Joint Annual Reports; Maxim management.

\*Key to Agencies:

1. Elk Valley Health Services
2. CareAll
3. Quality First
4. Maury Regional

<b>Table Need-State Health Plan Standard 9B: Cost Per Visit and Per Patient</b>		
	Year One--2019	Year Two--2020
Patients	18	36
Total Visits	936	1,870
<b>Skilled Nursing Visits (100%)</b>	936	1870
Cost per Skilled Visit	\$57.72	\$57.72
Total Cost, Skilled Visits	\$54,021	\$108,043
<b>Home Health Aide Visits (0%)</b>	n/a	n/a
Cost per HH Aide Visit	n/a	n/a
Total Cost, Aide Visits	n/a	n/a
<b>Total Cost, Skilled and Aide Visits</b>	\$701,576	\$1,403,153
<b>Total Cost Per Patient</b>	\$38,976	\$38,976

Source: Maxim management.

# Home Mechanical Ventilation Training

Home Mechanical Ventilation (HMV) care is complex and requires a highly competent nurse to handle emergencies. When a mechanical ventilation emergency occurs in the home, the nurse must respond immediately and intervene to protect the patient. Innovative training can make the difference between safety and harm. Created through a partnership between Maxim Healthcare Services and Johns Hopkins University School of Nursing, an interactive training program prepares nurses for emergency management of home mechanical ventilation.

## STRUCTURE

Instruction is self-paced so that it can be taken at the caregiver's convenience. This course is based on adult learning theory with simulation and scenario-based case studies. Training begins with basic assessment of the patient and guides the learner from simple to complex issues through real-time scenarios with a focus on managing emergencies. HMV knowledge helps prepare nurses for Maxim's thorough competency evaluation, required for employment and retention.

## TOPICS COVERED

- Performing comprehensive patient safety checks
- Performing comprehensive respiratory assessments
- Low pressure alarm interventions
- High pressure alarm interventions
- Emergency management interventions
- Dealing with a distraught patient
- Adult and pediatric patients



## About Maxim Healthcare Services

We are a leading provider of home healthcare, healthcare staffing, behavioral care, personal caregiving, and population health and wellness services across the United States. As an established community partner, we have been making a difference in the lives of our employees, caregivers and patients for 30 years. Our commitment to customer service, improving patient care, and staffing experienced healthcare professionals has made us an integral resource in the healthcare services industry.

## The Maxim Advantage

- Dedication to customer service
- Commitment to clinical excellence
- 24-hour administrative and clinical supervisor services, including holidays and weekends
- Trained, screened, and experienced healthcare professionals
- Matching our patients with a caregiver best suited to his or her care needs
- Regular assessments by clinical supervisors to ensure patient satisfaction
- Flexible payment options, including the acceptance of most insurances
- Accreditation Commission for Health Care (ACHC) continued compliance for homecare policy and procedures
- Free in-home consultation

[info.maximhealthcare.com/nurses](http://info.maximhealthcare.com/nurses)

ISSUE 42 • THIRD QUARTER 2017

MAXIM'S TEAM MEMBER NEWSLETTER

# CARE



## Maxim's Unique Partnership with Johns Hopkins School of Nursing

Maxim and Johns Hopkins University School of Nursing (JHUSON) have entered into a partnership to develop an online training program for emergency management of a Home Mechanical Ventilation (HMV) patient. This self-paced, evidence-based training program has been created with clinical expertise from Maxim and Hopkins, and will be part of Maxim's tracheostomy and ventilator competency program.

This development marks the first time that Maxim, one of the nation's largest providers of healthcare services and staffing, has entered into this type of partnership directly with one of the top nursing schools. When creating the curriculum, Maxim leveraged the JHUSON instructional design team, using adult learning theory with simulation and scenario-based case studies that start with basic assessment of the patient and progress the learner from simple to complex scenarios with a focus on emergency management.

"We were delighted to partner with Maxim in dealing with the complex issue of caring for mechanically ventilated patients in the community. Together I think that we have created an innovative and dynamic solution to improve the healthcare outcomes of patients being ventilated in the community," said Patricia M. Davidson, PhD, MEd, RN, FAAN, Dean of Johns Hopkins University School of Nursing. "Johns Hopkins University School of Nursing and Maxim Healthcare share the same passion and desire to make sure our patients receive optimal care and achieve the best outcomes."

The training, which launches this month, will be a component of the comprehensive competency program for the nurses who manage patients that have a tracheostomy and or ventilator. "I'm so excited about this training module and the confidence that it's going to build with our nurses who are taking care of the trach/vent patient in the home and managing these emergency situations," said Cheryl Nelson, MS, RN, Senior Vice President of Clinical Operations for Maxim Healthcare Services, "and I'm equally thrilled about our partnership with John Hopkins School of Nursing."

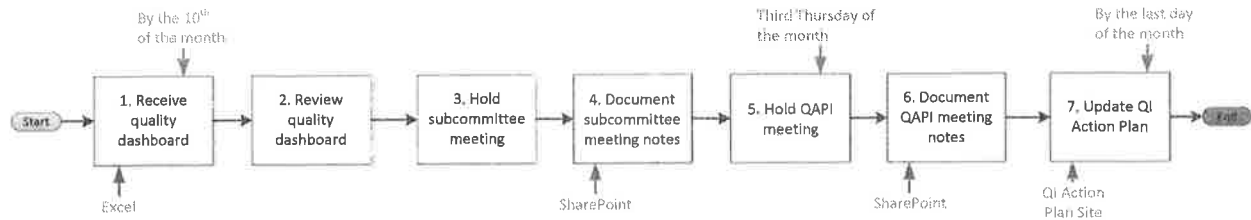
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Comment

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- ▶ | Celebrating Team Member Anniversaries
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## Monthly Quality Data Review Process



Step	Performed by	Description	Notes/Reference Documents
1. Receive quality dashboard.	DOCS/DCO/CM	The Business Intelligence Team will provide the previous month's quality data to the office by the 10 <sup>th</sup> of the month.	5 data elements: <ul style="list-style-type: none"> <li>• Infections</li> <li>• Unscheduled Hospitalizations</li> <li>• Incidents</li> <li>• Missed Opportunities</li> <li>• Retention</li> </ul>
2. Review quality dashboard	Subcommittee members.	Review the quality data prior to the subcommittee meeting.	
3. Hold subcommittee meeting	Subcommittee members.	Review quality data trends. Meeting should be held prior to the QAPI meeting.	3 mandatory subcommittees: <ul style="list-style-type: none"> <li>• Clinical</li> <li>• Missed Opportunities</li> <li>• Retention</li> </ul> Additional subcommittees as needed.
4. Document subcommittee meeting notes.	Subcommittee meeting note taker.	Utilize the meeting note template.	
5. Hold QAPI meeting.	Office staff.	The entire office should attend the monthly QAPI meeting.	
6. Document QAPI meeting notes.	QAPI meeting note taker.	Utilize the meeting note template.	
7. Update QI Action Plan.	Subcommittee team member.	The QI Action Plan site should be updated by the end of the month.	<ul style="list-style-type: none"> <li>• Enter progress against existing action items</li> </ul>

***(END OF SERVICE-SPECIFIC STATE HEALTH PLAN CRITERIA)***

**2. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to previously approved projects of the applicant.**

This application to expand Maxim's authorized Middle Tennessee service area is the sixth step in a decade-long process for orderly expansion of services throughout Tennessee. Prior steps have been consistently approved by the CON Board, for CON-approved new service areas in Memphis, Nashville, Chattanooga, and Johnson City.

This application will extend services to more rural residents of southern Middle Tennessee. It will make Maxim's highly trained teams accessible to more families in Middle Tennessee, not just those who reside in areas close to Nashville.

**3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area, using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the bordering states, if applicable.**

The project service area consists of 7 additional Middle Tennessee counties: Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury Counties. These counties are to the east, south, and west of Williamson County, where Maxim's principal office is located. They form a group that will expand Maxim's current service area southward. They are accessible for purposes of scheduling and providing home care. In fact, many are closer to Maxim's principal office in Williamson County than are counties in Maxim's current service area--which extends north of Nashville to include Montgomery, Roberson, and Sumner Counties on the Kentucky border.

It should be emphasized that nurses and aides who will deliver services in the home will live throughout the service area. The agency office itself, in Williamson County, will be within approximately an hour's drive or less from the major communities in six of the seven proposed service area counties. See Table Need-3 on the following page for distances and drive times.

<b>Table Need-3-A: Mileage and Drive Times Between Maxim Principal Office and Communities in the Proposed Additional Service Area Counties</b>			
<b>TN County</b>	<b>Community</b>	<b>Distance</b>	<b>Drive Time</b>
Bedford	Shelbyville	53.1 miles	63 minutes
Cannon	Woodbury	51.1 miles	59 minutes
Coffee	Manchester	60.3 miles	61 minutes
DeKalb	Smithville	85.1 miles	101 minutes
Hickman	Centerville	63.3 miles	67 minutes
Marshall	Lewisburg	46.4 miles	48 minutes
Maury	Columbia	36.8 miles	39 minutes

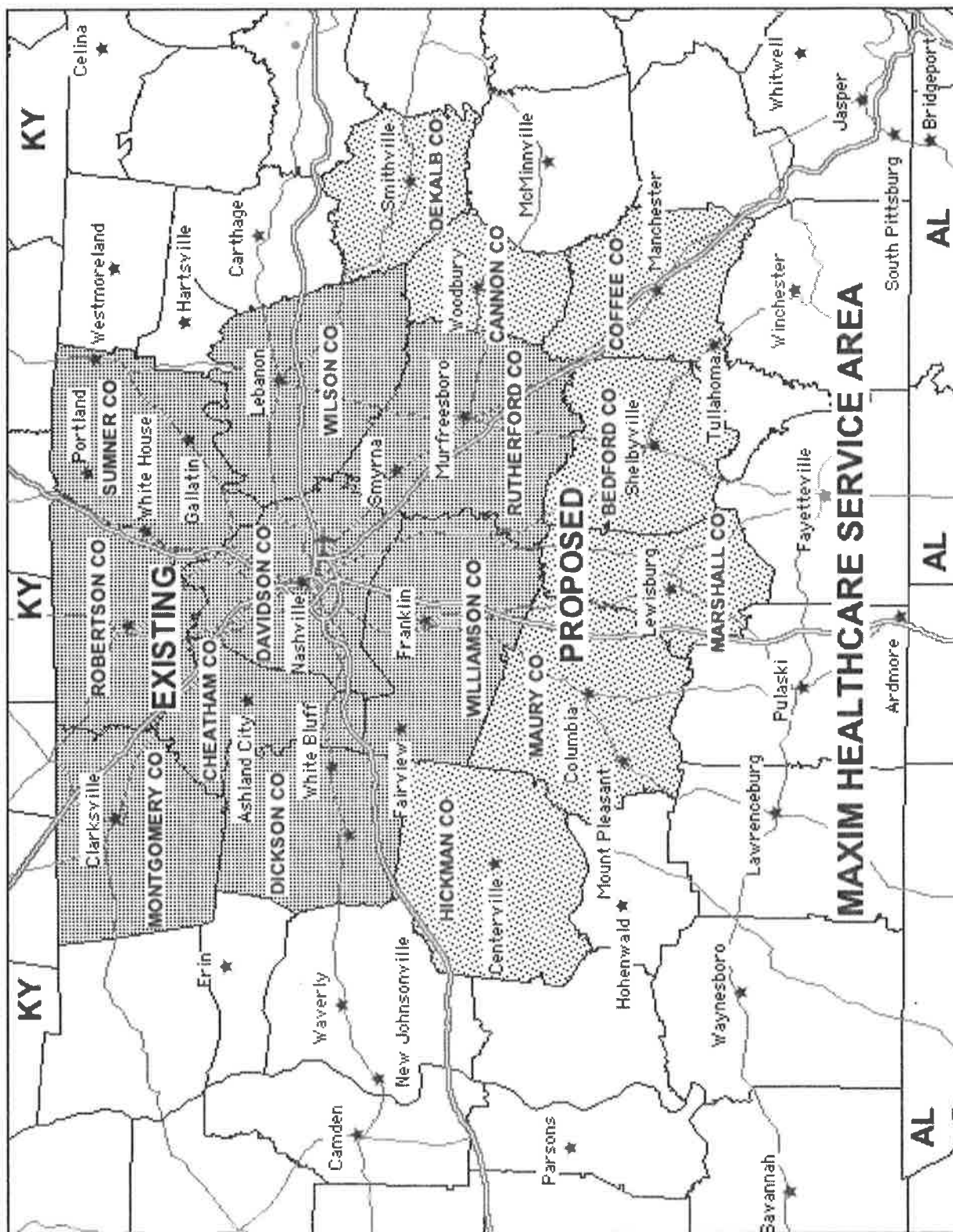
*Source: Google Maps, March 2017*

The following page is a map showing the applicant's current and proposed service area counties. A map showing the service area's location in the State of Tennessee is provided in Attachment Section B-Need-3.

The table below projects patient origin information for the project based on the relative percentages of the five counties' populations in CY2020. This is a very small number of patients to be distributed over seven counties; patient projections are rounded and approximate.

<b>Table Need-3-B: Projected Patient Origin from Proposed Additional Counties</b>			
<b>County</b>	<b>Percent of Total</b>	<b>Year One Patients</b>	<b>Year Two Patients</b>
Bedford	17%	3	6
Cannon	5%	1	2
Coffee	19%	3	7
DeKalb	7%	1	2
Hickman	9%	2	3
Marshall	12%	2	4
Maury	31%	6	12
Total All Counties	100.0%	18	36

*Source: TDH Population Projections.*



**3. (Continued) Please complete the following tables, if applicable:**

The following data are from the Department of Health's projection of home health agency need (surplus) based on FYE 2017 data in the Joint Annual Reports.

<b>Service Area Counties</b>	<b>Historical Patients by County Residents 2017</b>	<b>% of Total Patients</b>
Bedford	1,541	15.5%
Cannon	870	8.8%
Coffee	2,648	26.7%
DeKalb	959	9.7%
Hickman	617	6.2%
Marshall	777	7.8%
Maury	2,498	25.2%
Totals	<b>9,910</b>	100.0%

<b>Service Area Counties</b>	<b>Projected Patients by County Residents 2020</b>	<b>% of Total Patients</b>
Bedford	1,592	15.6%
Cannon	886	8.7%
Coffee	2,716	26.6%
DeKalb	979	9.6%
Hickman	634	6.2%
Marshall	804	7.9%
Maury	2,594	25.4%
Totals	<b>10,205</b>	100.0%

**4A(1). Describe the demographics of the population to be served by the proposal.**

The service area population is 293,790 persons of all ages, increasing to 299,825 by CY2020--a 2.1% increase. This is comparable to the 2.2% increase projected for the State of Tennessee during this period. The target population of this project does not include persons 65+ years of age. It is projected to increase only 0.7% during this same time period.

The median age of the service area counties is 39.9 years, similar to that of the State. The area's median income is below that of the State: \$43,230 compared to \$46,574 Statewide. The service area poverty rate of 16.6% is slightly less than the Statewide poverty rate of 17.2%. TennCare enrollment in the area, however, is 23% compared to a lower 21.2% Statewide enrollment percentage.

**A(2). Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the U.S. Census Bureau, complete the following table and include data for each county in your proposed service area.**

**Projected Population Data:**

**<http://www.tn.gov/health/article/statistics-population>**

**TennCare Enrollment Data:**

**<http://www.tn.gov/tenncare/topic/enrollment-data>**

**Census Bureau Fact Finder:**

**<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>**

Please see the table on the following page. Because the State Health Plan home health need projection methodology projects three years into the future (2020) from the most recent (2017) Home Health JAR year (2017), this table's projection year is 2020 to conform to the home health guideline.

Table Need-4A(2): Maxim Healthcare Services (Middle Tennessee) Demographic Characteristics of Proposed Additions to Current Service Area 2018-2022													
Department of Health / Health Statistics							Bureau of the Census				TennCare		
Primary Service Area Counties	Current Total Population 2018	Projected Total Population 2020	Total Population % Change 2017 - 2020	Current Target* Population Age 0-64 2018	Projected Target* Population Age 0-64 2020	Projected Target* Population % Change 2018 - 2020	Projected Target* Population As % of Projected Total Population 2020	Median Age	Median Household Income	Persons Below Poverty Level	Persons Below Poverty Level as % of Total Population	Current TennCare Enrollees	TennCare Enrollees as % of Total County or Zip Code Population
Bedford	50,860	51,961	2.2%	42,715	43,268	1.3%	83.3%	36.9	\$43,819	8,290	16.3%	12,983	25.5%
Cannon	14,658	14,838	1.2%	11,684	11,651	-0.3%	78.5%	42.1	\$43,654	2,375	16.2%	3,254	22.2%
Coffee	56,909	57,865	1.7%	46,068	46,292	0.5%	80.0%	40.1	\$45,456	9,049	15.9%	14,002	24.6%
DeKalb	19,936	20,206	1.4%	15,840	15,820	-0.1%	78.3%	40.9	\$37,640	4,426	22.2%	5,297	26.6%
Hickman	26,876	27,363	1.8%	22,052	22,141	0.4%	80.9%	40.4	\$37,546	6,155	22.9%	6,115	22.8%
Marshall	33,885	34,648	2.3%	27,909	28,082	0.6%	81.0%	39.6	\$44,900	5,117	15.1%	7,082	20.9%
Maury	90,666	92,944	2.5%	74,906	75,585	0.9%	81.3%	39.1	\$49,597	13,328	14.7%	18,918	20.9%
<b>Service Area Total</b>	<b>293,790</b>	<b>299,825</b>	<b>2.1%</b>	<b>241,174</b>	<b>242,839</b>	<b>0.7%</b>	<b>81.0%</b>	<b>39.9</b>	<b>\$43,230</b>	<b>48,738</b>	<b>16.6%</b>	<b>67,651</b>	<b>23.0%</b>
<b>State of TN Total</b>	<b>6,960,524</b>	<b>7,112,424</b>	<b>2.2%</b>	<b>5,784,586</b>	<b>5,844,462</b>	<b>1.0%</b>	<b>82.2%</b>	<b>39</b>	<b>\$46,574</b>	<b>89,186</b>	<b>17.2%</b>	<b>1,476,375</b>	<b>21.2%</b>

Sources: TDOH Population Projections; U.S. Census QuickFacts; TennCare Bureau.  
Service area data is either total, or average, as appropriate.

**B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.**

Maxim's Middle Tennessee agency, like the other four Maxim agencies in Tennessee, has an outstanding record of accessibility to low-income TennCare patients. Statewide, 93.9% of its payor mix is TennCare. The Nashville agency's payor mix is 92.4%. Maxim serves TennCare pediatric patients requiring complex care from 4 to 24 hours a day, which few agencies in this area will serve. Maxim does not discriminate in patient selection based on race, ethnicity, gender, or insurance source. However, Maxim's business model does not include offering service to Medicare-age patients, who have many existing home health agencies available within this service area.

**5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must provide the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the appropriate measures, e.g., cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.**

One or more of these 7 counties are served by 46 home health agencies that offer comprehensive home care services. This section provides their utilization from several perspectives--service volumes, pediatric services, TennCare participation, and how much each agency depends on patients from these 7 counties (most agencies have much larger service areas).

Four authorized agencies are excluded from the data, due to limited scope of service (high risk pregnant patients only; infusion pump implantation only). They are Optum Women's and Children's Health (two agencies), Implanted Pump Management, and Pentec Health.

The utilization of the 46 relevant agencies is submitted in tables at the end of this response. The content of each table is as follows. The data are from 2017 Joint Annual Reports unless noted otherwise.

Table Need-5A--Agencies licensed in any of the 7 project service area counties

Table Need-5B --The service area counties authorized for each agency

Table Need-5C --Agency sizes, patients from each service area county; and dependence on total patients and pediatric patients received from the project service area

Table Need-5D --Agencies ranked by degree of dependence on service area patients

Table Need-5E --Agencies ranked by degree of dependence on service area pediatric patients

Table Need-5F--Agencies' pediatric patients with comparisons to Maxim

Table Need-5G--Table 5F data ranked by agencies' percent of pediatric patients

Table Need-5H --Agencies' TennCare revenues as percent of total revenues (Statewide)

Table Need-5I--Table 5H data ranked by agencies' percentage of TennCare gross revenues

Table Need-5J--Statewide utilization of agencies in 2015-2017: Patients, Visits, Hours

Table Need-5K--Agencies' hours and visits by discipline, with comparisons to Maxim

Table Need-5L--Agencies' 2017 TennCare patients, visits, hours, and gross revenues, with comparisons to Maxim

**Table Need-5A: Home Health Agencies Licensed to Serve Within the Project Service Area (46)**  
**(Counties of Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury)**

Alphabetical, By Agency Name				
Health Statistics ID	TDH License No.	Agency County	Agency	Type
19714	622	Davidson	Adoration Home Health, LLC	Home
26054	82	Franklin	Amedisys Home Care	Home
75054	207	Rutherford	Amedisys Home Health	Home
19684	254	Davidson	Amedisys Home Health (10th Avenue S)	Home
19024	38	Davidson	Amedisys Home Health (Glen Echo Rd)	Home
75064	5	Rutherford	Amedisys Home Health Care	Home
19664	68	Davidson	Amedisys Home Health Services	Home
95084	600	Wilson	American National Home Health	Home
19504	289	Davidson	Brookdale Home Health Nashville	Home
19724	295	Davidson	Careall	Home
89074	265	Warren	Careall Home Care Services	Home
19734	624	Davidson	Coram CVS Specialty Infusion Services	Home
14024	135	Clay	Cumberland River Homecare	Home
52024	161	Lincoln	Deaconess Homecare	Home
95034	282	Wilson	Deaconess Homecare I	Home
19494	42	Davidson	Elk Valley Health Services, Inc.	Home
26024	83	Franklin	Encompass Home Health of Tennessee	Home
89084	619	Warren	Friendship Home Health, Inc.	Home
19614	323	Davidson	Friendship Home Healthcare, Inc	Home
94074	607	Williamson	Guardian Home Care of Nashville, LLC	Home
40075	122	Henry	Henry County Medical Center Home Health	Home
02024	4	Bedford	Heritage Home Health	Home
71014	197	Putnam	Highland Rim Home Health Agency	Home
83114	258	Sumner	Highpoint Homecare	Home
06063	14	Bradley	Home Health Care of East Tennessee, Inc	Home
19584	46	Davidson	Home Health Care of Middle Tennessee	Home
19544	56	Davidson	Homecare Solutions, Inc.	Home
19364	34	Davidson	Intrepid USA Healthcare Services	Home
71084	198	Putnam	Intrepid USA Healthcare Services	Home
89064	263	Warren	Intrepid USA Healthcare Services	Home
19084	49	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	Home
95074	41	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	Home
52044	160	Lincoln	Lincoln Medical Home Health & Hospice	Home & Hospice
60044	180	Maury	Maury Regional Home Services	Home
60024	181	Maury	NHC Homecare	Home
75024	208	Rutherford	NHC Homecare	Home
60084	90	Maury	Quality First Home Care	Home
41034	125	Hickman	St. Thomas Home Health	Home
16034	29	Coffee	Suncrest Home Health	Home
21024	60	DeKalb	Suncrest Home Health	Home
63044	293	Montgomery	Suncrest Home Health of Nashville, Inc.	Home
20045	221	Decatur	Tennessee Quality Homecare-Southwest	Home
19394	43	Davidson	Vanderbilt Community & Home Services	Home
19394	604	Davidson	Vanderbilt HC/Option Care IV Services	Home
20055	63	Decatur	Volunteer Homecare of West Tennessee	Home
19694	259	Davidson	Willowbrook Home Health Care Agency	Home
<b>Number of Unduplicated Home Health Agencies</b>				<b>46</b>

Alphabetical, By Agency Home County				
Health Statistics ID	TDH License No.	Agency County	Agency	Type
02024	4	Bedford	Heritage Home Health	Home
06063	14	Bradley	Home Health Care of East Tennessee, Inc	Home
14024	135	Clay	Cumberland River Homecare	Home
16034	29	Coffee	Suncrest Home Health	Home
19714	622	Davidson	Adoration Home Health, LLC	Home
19684	254	Davidson	Amedisys Home Health (10th Avenue S)	Home
19024	38	Davidson	Amedisys Home Health (Glen Echo Rd)	Home
19664	68	Davidson	Amedisys Home Health Services	Home
19504	289	Davidson	Brookdale Home Health Nashville	Home
19724	295	Davidson	Careall	Home
19734	624	Davidson	Coram CVS Specialty Infusion Services	Home
19494	42	Davidson	Elk Valley Health Services, Inc.	Home
19614	323	Davidson	Friendship Home Healthcare, Inc	Home
19584	46	Davidson	Home Health Care of Middle Tennessee	Home
19544	56	Davidson	Homecare Solutions, Inc.	Home
19364	34	Davidson	Intrepid USA Healthcare Services	Home
19084	49	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	Home
19394	43	Davidson	Vanderbilt Community & Home Services	Home
19394	604	Davidson	Vanderbilt HC/Option Care IV Services	Home
19694	259	Davidson	Willowbrook Home Health Care Agency	Home

<b>Table Need-5A: Home Health Agencies Licensed to Serve Within the Project Service Area (46)</b> <b>(Counties of Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury)</b>				
20045	221	Decatur	Tennessee Quality Homecare-Southwest	Home
20055	63	Decatur	Volunteer Homecare of West Tennessee	Home
21024	60	DeKalb	Suncrest Home Health	Home
26054	82	Franklin	Amedisys Home Care	Home
26024	83	Franklin	Encompass Home Health of Tennessee	Home
40075	122	Henry	Henry County Medical Center Home Health	Home
41034	125	Hickman	St. Thomas Home Health	Home
52024	161	Lincoln	Deaconess Homecare	Home
52044	160	Lincoln	Lincoln Medical Home Health & Hospice	Home & Hospice
60044	180	Maury	Maury Regional Home Services	Home
60024	181	Maury	NHC Homecare	Home
60084	90	Maury	Quality First Home Care	Home
63044	293	Montgomery	Suncrest Home Health of Nashville, Inc.	Home
71014	197	Putnam	Highland Rim Home Health Agency	Home
71084	198	Putnam	Intrepid USA Healthcare Services	Home
75054	207	Rutherford	Amedisys Home Health	Home
75064	5	Rutherford	Amedisys Home Health Care	Home
75024	208	Rutherford	NHC Homecare	Home
83114	258	Sumner	Highpoint Homecare	Home
89074	265	Warren	Careall Home Care Services	Home
89084	619	Warren	Friendship Home Health, Inc.	Home
89064	263	Warren	Intrepid USA Healthcare Services	Home
94074	607	Williamson	Guardian Home Care of Nashville, LLC	Home
95084	600	Wilson	American National Home Health	Home
95034	282	Wilson	Deaconess Homecare I	Home
95074	41	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	Home
			<b>Number of Unduplicated Home Health Agencies</b>	<b>46</b>



Table Need-5C: Existing Agency Utilization From, and Dependence on, the Project Service Area--By Agency Name

Table Need-5C: Existing Agency Utilization From, and Dependence on, the Project Service Area--By Agency Name																
Health Statistics ID	Agency County	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area								% of Agency's TN Patients Coming from Project Service Area	Agency's Pediatric Patients From Project Service Area--As % of Total Patients from Project Service Area	Agency's Pediatric Patients From Project Service Area--As % of Total Patients from Project Service Area	Agency's Pediatric Patients From Project Service Area--As % of Total Patients from Project Service Area	
					BEDFORD	CANNON	COFFEE	DEKALB	HICKMAN	MARSHALL	MAURY					
19714	Davidson	24	7	29.2%	60	112	87	16	1	1	4	281	1,811	35.5%	1.07%	0.17%
26054	Franklin	16	5	31.3%	3	0	168	0	0	0	0	171	723	23.7%	0.00%	0.00%
75054	Rutherford	7	3	42.9%	64	27	0					91	508	17.9%	0.00%	0.00%
19674	Davidson	16	2	12.5%	0	0	0	46	2	0	0	48	1,711	2.8%	0.00%	0.00%
19074	Davidson	22	6	27.3%	0	0	0	0	0	0	0	0	1,121	0.0%	0.00%	0.00%
75064	Rutherford	19	5	26.3%	1	0	0	115	369	0	0	485	1,206	40.2%	0.00%	0.00%
19684	Davidson	10	1	10.0%	0	0	0	0	0	0	0	0	898	0.0%	0.00%	0.00%
95084	Wilson	10	1	10.0%	0	0	0	0	0	0	0	0	214	0.0%	0.00%	0.00%
19504	Davidson	22	4	18.2%	0	0	0	0	0	1	1	899	899	0.1%	0.00%	0.00%
19724	Davidson	28	5	17.9%	8	1	4	1	16	30	633	4.7%	5	16.67%	0.79%	0.95%
89074	Warren	10	3	30.0%	16	35	6			57	529	10.8%	5	8.77%	0.00%	0.00%
19734	Davidson	38	7	18.4%	0	0	0	0	0	1	3	4	35	11.4%	0.00%	0.00%
14024	Clay	10	1	10.0%	0	0	0	X		0	0	0	414	0.0%	0.00%	0.00%
52024	Lincoln	25	6	24.0%	10	0	10	0	6	0	26	334	7.8%	0	0.00%	0.00%
95034	Wilson	21	5	23.8%	0	1	0	0	1	0	0	1	828	0.1%	0.00%	0.00%
19494	Davidson	96	7	7.3%	6	0	7	2	3	4	8	30	468	6.4%	15	50.00%
26024	Franklin	34	7	20.6%	34	2	79	1	0	7	34	157	1,777	8.8%	0	0.00%
89084	Warren	10	3	30.0%	1	20	0				21	186	11.3%	0	0.00%	0.00%
19614	Davidson	14	4	28.6%	2	1	13	1	0	4	20	537	3.7%	0	0.00%	0.00%
94074	Williamson	14	1	7.1%	0	0	0	70	0	0	70	1,607	4.4%	0	0.00%	0.00%
40075	Henry	12	1	8.3%	0	0	0	0	0	0	0	412	0.0%	0	0.00%	0.00%
02024	Bedford	7	3	42.9%	290	136			21		447	529	84.5%	0	0.00%	0.00%
71014	Putnam	14	1	7.1%	0	0	0	0	0	4	4	620	0.6%	0	0.00%	0.00%
83114	Sumner	10	1	10.0%	0	0	0	9		9	9	1,699	0.5%	0	0.00%	0.00%
06063	Bradley	17	1	5.9%	0	8		8	19	161	8	1,810	0.4%	4	50.00%	0.22%
19584	Davidson	14	4	28.6%	12	8	12	8	19	0	200	2,608	7.7%	6	3.00%	0.23%
19544	Davidson	96	7	7.3%	1	0	0	0	98	0	99	1,475	6.7%	0	0.00%	0.00%
19364	Davidson	19	7	36.8%	0	0	0	0	0	0	0	588	0.0%	0	0.00%	0.00%
71084	Putnam	8	1	12.5%	41	17	284	40	1	1	0	249	0.0%	0	0.00%	0.00%
89064	Warren	16	5	31.3%	0	0	0	0	0	0	383	877	43.7%	0	0.00%	0.00%
19084	Davidson	12	1	8.3%	15	18		18	0	25	1,147	2.2%	0	0.00%	0.00%	
95074	Wilson	15	2	13.3%	0	0	0	0	1	25	33	1,245	2.7%	0	0.00%	0.00%
52044	Lincoln	7	3	42.9%	0	0	0	0	1	1	1	359	0.3%	0	0.00%	0.00%
60044	Maury	8	2	25.0%	0	0	0	0	154	971	1,125	1,548	72.7%	10	0.89%	0.65%
50024	Maury	21	4	19.0%	164				104	328	473	1,069	37.4%	1	0.09%	0.04%
75024	Rutherford	24	5	20.8%	16	56	208	116	0	0	396	4,695	8.4%	0	0.00%	0.00%
60084	Maury	5	2	40.0%	0	0	0	0	63	322	385	1,181	32.6%	22	5.71%	1.86%
41034	Hickman	8	0	0.0%	0	0	0	0	206	7	213	297	71.7%	0	0.00%	0.00%
16034	Coffee	15	5	33.3%	751	0	1,601	0	39	0	2,991	4,206	56.8%	0	0.00%	0.00%
21024	DeKalb	7	2	28.6%	606	721		721			1,327	5,322	24.9%	1	0.08%	0.02%
63044	Montgomery	11	1	9.1%	0				0	1	1,168	0.0%	0	0.00%	0.00%	0.00%
20045	Declar	24	2	8.3%	0	0	0	0	16	10	26	1,465	1.8%	0	0.00%	0.00%
19394	Davidson	20	7	35.0%	0	0	0	0	0	0	0	64	0.0%	0	0.00%	0.00%
19394	Davidson	33	7	21.2%	X	X	X	X	X	X	X					
19394	Davidson	33	7	21.2%	X	X	X	X	X	X	X					
20055	Declar	17	1	5.9%	0	0	0	0	39	39	39	2,035	1.9%	0	0.00%	0.00%
19694	Davidson	36	7	19.4%	90	5	5	0	13	36	88	1,960	12.1%	0	0.00%	0.00%
TOTALS					1,541	870	2,648	959	617	777	2,498	9,910	56,853	17.4%	72	0.73%

Source: TDH 2017 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

Table Need-5D: Existing Agency Utilization From, and Agency Dependence on, the Project Service Area--By Percent Dependence								
Health Statistics ID	Agency County	Agency Name	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area	Agency's Patients From Project Service Area Counties	Agency's Total Patients in TN	% of Agency's Total TN Patients from Service Area Counties
02024	Bedford	Heritage Home Health (Tennova HH)	7	3	42.9%	447	529	84.5%
60044	Maury	Maury Regional Home Services	8	2	25.0%	1,125	1,548	72.7%
41034	Hickman	St. Thomas Home Health	8		0.0%	213	297	71.7%
16034	Coffee	Suncrest Home Health	15	5	33.3%	2,391	4,206	56.8%
89064	Warren	Intrepid USA Healthcare Services	16	5	31.3%	383	877	43.7%
75064	Rutherford	Amedisys Home Health Care	19	5	26.3%	485	1,206	40.2%
60024	Maury	NHC Homecare	21	4	19.0%	1,069	2,855	37.4%
60084	Maury	Quality First Home Care	5	2	40.0%	385	1,181	32.6%
21024	DeKalb	Suncrest Home Health	7	2	28.6%	1,327	5,322	24.9%
26054	Franklin	Amedisys Home Care	16	5	31.3%	171	723	23.7%
75054	Rutherford	Amedisys Home Health	7	3	42.9%	91	508	17.9%
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	24	7	29.2%	281	1,811	15.5%
19694	Davidson	Willowbrook Home Health Care Agency	36	7	19.4%	237	1,960	12.1%
19734	Davidson	Coram CVS Specialty Infusion Services	38	7	18.4%	4	35	11.4%
89084	Warren	Friendship Home Health, Inc.	10	3	30.0%	21	186	11.3%
89074	Warren	Careall Home Care Services	10	3	30.0%	57	529	10.8%
26024	Franklin	Encompass Home Health of Tennessee	34	7	20.6%	157	1,777	8.8%
75024	Rutherford	NHC Homecare	24	5	20.8%	396	4,695	8.4%
52024	Lincoln	Deaconess Homecare	25	6	24.0%	26	334	7.8%
19584	Davidson	Home Health Care of Middle Tennessee	14	4	28.6%	200	2,608	7.7%
19544	Davidson	Homecare Solutions, Inc.	96	7	7.3%	99	1,475	6.7%
19494	Davidson	Elk Valley Health Services, Inc.	96	7	7.3%	30	468	6.4%
19724	Davidson	Careall	28	5	17.9%	30	633	4.7%
94074	Williamson	Guardian Home Care of Nashville, LLC	14	1	7.1%	70	1,607	4.4%
19614	Davidson	Friendship Home Healthcare, Inc	14	4	28.6%	20	537	3.7%
19674	Davidson	Amedisys Home Health (10th Avenue S)	16	2	12.5%	48	1,711	2.8%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	15	2	13.3%	33	1,245	2.7%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	12	1	8.3%	25	1,147	2.2%
20055	Decatur	Volunteer Homecare of West Tennessee	17	1	5.9%	39	2,035	1.9%
20045	Decatur	Tennessee Quality Homecare-Southwest	24	2	8.3%	26	1,465	1.8%
71014	Putnam	Highland Rim Home Health Agency	14	1	7.1%	4	620	0.6%
83114	Sumner	Highpoint Homecare	10	1	10.0%	9	1,699	0.5%
06063	Bradley	Home Health Care of East Tennessee, Inc	17	1	5.9%	8	1,810	0.4%
52044	Lincoln	Lincoln Medical Home Health & Hospice	7	3	42.9%	1	359	0.3%
95034	Wilson	Deaconess Homecare I	21	5	23.8%	1	828	0.1%
19504	Davidson	Brookdale Home Health Nashville	22	4	18.2%	1	899	0.1%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	22	6	27.3%	0	1,121	0.0%
19664	Davidson	Amedisys Home Health Services	10	1	10.0%	0	898	0.0%
95084	Wilson	American National Home Health	10	1	10.0%	0	214	0.0%
14024	Clay	Cumberland River Homecare	10	1	10.0%	0	414	0.0%
40075	Henry	Henry County Medical Center Home Health	12	1	8.3%	0	412	0.0%
19364	Davidson	Intrepid USA Healthcare Services	19	7	36.8%	0	588	0.0%
71084	Putnam	Intrepid USA Healthcare Services	8	1	12.5%	0	249	0.0%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	11	1	9.1%	0	1,168	0.0%
19394	Davidson	Vanderbilt Community & Home Services	20	7	35.0%	0	64	0.0%
19394	Davidson	Vanderbilt HC/Option Care IV Services	33	7	21.2%			
<b>TOTALS &amp; AVERAGE</b>						<b>9,910</b>	<b>56,853</b>	<b>17.4%</b>

Source: TDH 2017 Joint Annual Reports; HSDA Registry for authorized counties.

**Table Need-5E: Existing Agency Dependence on Service Area Pediatric Patients**

Health Statistics ID	Agency County		Agency Patients From Project Service Area Counties	Total Agency Patients in TN	% of Agency's TN Patients Coming from Project Service Area	Agency's Pediatric Patients From Service Area Counties	Agency's Pediatric Patients From Project Service Area- As % of Agency's Total Patients from Project Service Area	Agency's Pediatric Patients From Project Service Area- As % of Agency's Statewide Patients
19494	Davidson	Elk Valley Health Services, Inc.	30	468	6.4%	15	50.00%	3.21%
60084	Maury	Quality First Home Care	385	1,181	32.6%	22	5.71%	1.86%
89074	Warren	Careall Home Care Services	57	529	10.8%	5	8.77%	0.95%
19724	Davidson	Careall	30	633	4.7%	5	16.67%	0.79%
60044	Maury	Maury Regional Home Services	1,125	1,548	72.7%	10	0.89%	0.65%
19584	Davidson	Home Health Care of Middle Tennessee	200	2,608	7.7%	6	3.00%	0.23%
06063	Bradley	Home Health Care of East Tennessee, Inc	8	1,810	0.4%	4	50.00%	0.22%
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	281	1,811	15.5%	3	1.07%	0.17%
60024	Maury	NHC Homecare	1,069	2,855	37.4%	1	0.09%	0.04%
21024	DeKalb	Suncrest Home Health	1,327	5,322	24.9%	1	0.08%	0.02%
02024	Bedford	Heritage Home Health	447	529	84.5%	0	0.00%	0.00%
14024	Clay	Cumberland River Homecare	0	414	0.0%	0	0.00%	0.00%
16034	Coffee	Suncrest Home Health	2,391	4,206	56.8%	0	0.00%	0.00%
19684	Davidson	Amedisys Home Health (10th Avenue S)	48	1,711	2.8%	0	0.00%	0.00%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	0	1,121	0.0%	0	0.00%	0.00%
19664	Davidson	Amedisys Home Health Services	0	898	0.0%	0	0.00%	0.00%
19504	Davidson	Brookdale Home Health Nashville	1	899	0.1%	0	0.00%	0.00%
19734	Davidson	Coram CVS Specialty Infusion Services	4	35	11.4%	0	0.00%	0.00%
19614	Davidson	Friendship Home Healthcare, Inc	20	537	3.7%	0	0.00%	0.00%
19544	Davidson	Homecare Solutions, Inc.	99	1,475	6.7%	0	0.00%	0.00%
19364	Davidson	Intrepid USA Healthcare Services	0	588	0.0%	0	0.00%	0.00%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	25	1,147	2.2%	0	0.00%	0.00%
19394	Davidson	Vanderbilt Community & Home Services	0	64	0.0%	0	0.00%	0.00%
19694	Davidson	Willowbrook Home Health Care Agency	237	1,960	12.1%	0	0.00%	0.00%
20045	Decatur	Tennessee Quality Homecare-Southwest	26	1,465	1.8%	0	0.00%	0.00%
20055	Decatur	Volunteer Homecare of West Tennessee	39	2,035	1.9%	0	0.00%	0.00%
26054	Franklin	Amedisys Home Care	171	723	23.7%	0	0.00%	0.00%
26024	Franklin	Encompass Home Health of Tennessee	157	1,777	8.8%	0	0.00%	0.00%
40075	Henry	Henry County Medical Center Home Health	0	412	0.0%	0	0.00%	0.00%
41034	Hickman	St. Thomas Home Health	213	297	71.7%	0	0.00%	0.00%
52024	Lincoln	Deaconess Homecare	26	334	7.8%	0	0.00%	0.00%
52044	Lincoln	Lincoln Medical Home Health & Hospice	1	359	0.3%	0	0.00%	0.00%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	0	1,168	0.0%	0	0.00%	0.00%
71014	Putnam	Highland Rim Home Health Agency	4	620	0.6%	0	0.00%	0.00%
71084	Putnam	Intrepid USA Healthcare Services	0	249	0.0%	0	0.00%	0.00%
75054	Rutherford	Amedisys Home Health	91	508	17.9%	0	0.00%	0.00%
75064	Rutherford	Amedisys Home Health Care	485	1,206	40.2%	0	0.00%	0.00%
75024	Rutherford	NHC Homecare	396	4,695	8.4%	0	0.00%	0.00%
83114	Sumner	Highpoint Homecare	9	1,699	0.5%	0	0.00%	0.00%
89084	Warren	Friendship Home Health, Inc.	21	186	11.3%	0	0.00%	0.00%
89064	Warren	Intrepid USA Healthcare Services	383	877	43.7%	0	0.00%	0.00%
94074	Williamson	Guardian Home Care of Nashville, LLC	70	1,607	4.4%	0	0.00%	0.00%
95084	Wilson	American National Home Health	0	214	0.0%	0	0.00%	0.00%
95034	Wilson	Deaconess Homecare I	1	828	0.1%	0	0.00%	0.00%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	33	1,245	2.7%	0	0.00%	0.00%
19394	Davidson	Vanderbilt HC/Option Care IV Services						
<b>TOTALS</b>			<b>9,910</b>	<b>56,853</b>	<b>17.4%</b>	<b>72</b>	<b>0.73%</b>	<b>0.13%</b>

Source: TDH 2017 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

**Table Need-5F: Statewide Comparison of Maxim Home Health vs Agencies Authorized in Project Service Area**  
**Pediatric Percent of Total Statewide Patients in 2017**

Health Statistics ID	Agency County	Agency	Type	Patients 0-17 Yrs	Total Patients Served	Pediatric Percent
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	Home	14	1,811	0.8%
26054	Franklin	Amedisys Home Care	Home	0	723	0.0%
75054	Rutherford	Amedisys Home Health	Home	0	508	0.0%
19674	Davidson	Amedisys Home Health (10th Avenue S)	Home	0	1,711	0.0%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	Home	0	1,121	0.0%
75064	Rutherford	Amedisys Home Health Care	Home	1	1,206	0.1%
19684	Davidson	Amedisys Home Health Services	Home	0	898	0.0%
95084	Wilson	American National Home Health	Home	0	214	0.0%
19504	Davidson	Brookdale Home Health Nashville	Home	0	899	0.0%
19724	Davidson	Careall	Home	21	633	3.3%
89074	Warren	Careall Home Care Services	Home	8	529	1.5%
19734	Davidson	Coram CVS Specialty Infusion Services	Home	0	35	0.0%
14024	Clay	Cumberland River Homecare	Home	87	414	21.0%
52024	Lincoln	Deaconess Homecare	Home	0	334	0.0%
95034	Wilson	Deaconess Homecare I	Home	0	828	0.0%
19494	Davidson	Elk Valley Health Services, Inc.	Home	205	468	43.8%
26024	Franklin	Encompass Home Health of Tennessee	Home	0	1,777	0.0%
89084	Warren	Friendship Home Health, Inc.	Home	0	186	0.0%
19614	Davidson	Friendship Home Healthcare, Inc	Home	0	537	0.0%
94074	Williamson	Guardian Home Care of Nashville, LLC	Home	0	1,607	0.0%
40075	Henry	Henry County Medical Center Home Health	Home	1	412	0.2%
02024	Bedford	Heritage Home Health	Home	0	529	0.0%
71014	Putnam	Highland Rim Home Health Agency	Home	12	620	1.9%
83114	Sumner	Highpoint Homecare	Home	78	1,699	4.6%
06063	Bradley	Home Health Care of East Tennessee, Inc	Home	83	1,810	4.6%
19584	Davidson	Home Health Care of Middle Tennessee	Home	117	2,608	4.5%
19544	Davidson	Homecare Solutions, Inc.	Home	0	1,475	0.0%
19364	Davidson	Intrepid USA Healthcare Services	Home	0	588	0.0%
71084	Putnam	Intrepid USA Healthcare Services	Home	0	249	0.0%
89064	Warren	Intrepid USA Healthcare Services	Home	0	877	0.0%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	Home	0	1,147	0.0%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	Home	0	1,245	0.0%
52044	Lincoln	Lincoln Medical Home Health & Hospice	Both	0	359	0.0%
60044	Maury	Maury Regional Home Services	Home	17	1,548	1.1%
60024	Maury	NHC Homecare	Home	5	2,855	0.2%
75024	Rutherford	NHC Homecare	Home	7	4,695	0.1%
60084	Maury	Quality First Home Care	Home	69	1,181	5.8%
41034	Hickman	St. Thomas Home Health	Home	0	297	0.0%
16034	Coffee	Suncrest Home Health	Home	0	4,206	0.0%
21024	DeKalb	Suncrest Home Health	Home	10	5,322	0.2%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	Home	24	1,168	2.1%
20045	Decatur	Tennessee Quality Homecare-Southwest	Home	14	1,465	1.0%
19394	Davidson	Vanderbilt Community & Home Services	Home	27	64	42.2%
19394	Davidson	Vanderbilt HC/Option Care IV Services	Home			
20055	Decatur	Volunteer Homecare of West Tennessee	Home	39	2,035	1.9%
19694	Davidson	Willowbrook Home Health Care Agency	Home	0	1,960	0.0%
<b>Authorized Agencies (46)</b>				<b>839</b>	<b>56,853</b>	<b>1.5%</b>
33433	Hamilton	Maxim Healthcare Services	Home	43	110	39.1%
47432	Knox	Maxim Healthcare Services	Both	161	308	52.3%
79536	Shelby	Maxim Healthcare Services	Both	119	224	53.1%
90141	Washington	Maxim Healthcare Services	Home	21	24	87.5%
19704	Williamson	Maxim Healthcare Services	Both	160	231	69.3%
<b>Maxim Statewide (4)</b>				<b>504</b>	<b>897</b>	<b>56.2%</b>

Source: 2017 Joint Annual Reports.

**Table Need-5G: Statewide Comparison of Maxim Home Health vs Agencies Authorized in Project Service Area**  
**Pediatric Percent of Total Statewide Patients in 2017--Ranked by Percent**

Health Statistics ID	Agency County	Agency	Type	Patients 0-17 Yrs	Patients Served All Ages	Pediatric Percent
19494	Davidson	Elk Valley Health Services, Inc.	Home	205	468	43.8%
19394	Davidson	Vanderbilt Community & Home Services	Home	27	64	42.2%
14024	Clay	Cumberland River Homecare	Home	87	414	21.0%
60084	Maury	Quality First Home Care	Home	69	1,181	5.8%
83114	Sumner	Highpoint Homecare	Home	78	1,699	4.6%
06063	Bradley	Home Health Care of East Tennessee, Inc	Home	83	1,810	4.6%
19584	Davidson	Home Health Care of Middle Tennessee	Home	117	2,608	4.5%
19724	Davidson	Careall	Home	21	633	3.3%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	Home	24	1,168	2.1%
71014	Putnam	Highland Rim Home Health Agency	Home	12	620	1.9%
20055	Decatur	Volunteer Homecare of West Tennessee	Home	39	2,035	1.9%
89074	Warren	Careall Home Care Services	Home	8	529	1.5%
60044	Maury	Maury Regional Home Services	Home	17	1,548	1.1%
20045	Decatur	Tennessee Quality Homecare-Southwest	Home	14	1,465	1.0%
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	Home	14	1,811	0.8%
40075	Henry	Henry County Medical Center Home Health	Home	1	412	0.2%
21024	DeKalb	Suncrest Home Health	Home	10	5,322	0.2%
60024	Maury	NHC Homecare	Home	5	2,855	0.2%
75024	Rutherford	NHC Homecare	Home	7	4,695	0.1%
75064	Rutherford	Amedisys Home Health Care	Home	1	1,206	0.1%
26054	Franklin	Amedisys Home Care	Home	0	723	0.0%
75054	Rutherford	Amedisys Home Health	Home	0	508	0.0%
19674	Davidson	Amedisys Home Health (10th Avenue S)	Home	0	1,711	0.0%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	Home	0	1,121	0.0%
19684	Davidson	Amedisys Home Health Services	Home	0	898	0.0%
95084	Wilson	American National Home Health	Home	0	214	0.0%
19504	Davidson	Brookdale Home Health Nashville	Home	0	899	0.0%
19734	Davidson	Coram CVS Specialty Infusion Services	Home	0	35	0.0%
52024	Lincoln	Deaconess Homecare	Home	0	334	0.0%
95034	Wilson	Deaconess Homecare I	Home	0	828	0.0%
26024	Franklin	Encompass Home Health of Tennessee	Home	0	1,777	0.0%
89084	Warren	Friendship Home Health, Inc.	Home	0	186	0.0%
19614	Davidson	Friendship Home Healthcare, Inc	Home	0	537	0.0%
94074	Williamson	Guardian Home Care of Nashville, LLC	Home	0	1,607	0.0%
02024	Bedford	Heritage Home Health	Home	0	529	0.0%
19544	Davidson	Homecare Solutions, Inc.	Home	0	1,475	0.0%
19364	Davidson	Intrepid USA Healthcare Services	Home	0	588	0.0%
71084	Putnam	Intrepid USA Healthcare Services	Home	0	249	0.0%
89064	Warren	Intrepid USA Healthcare Services	Home	0	877	0.0%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	Home	0	1,147	0.0%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	Home	0	1,245	0.0%
52044	Lincoln	Lincoln Medical Home Health & Hospice	Both	0	359	0.0%
41034	Hickman	St. Thomas Home Health	Home	0	297	0.0%
16034	Coffee	Suncrest Home Health	Home	0	4,206	0.0%
19694	Davidson	Willowbrook Home Health Care Agency	Home	0	1,960	0.0%
19394	Davidson	Vanderbilt HC/Option Care IV Services	Home			
<b>Authorized Agencies (46)</b>				<b>839</b>	<b>56,853</b>	<b>1.5%</b>
90141	Washington	Maxim Healthcare Services	Home	21	24	87.5%
19704	Williamson	Maxim Healthcare Services	Both	160	231	69.3%
79536	Shelby	Maxim Healthcare Services	Both	119	224	53.1%
47432	Knox	Maxim Healthcare Services	Both	161	308	52.3%
33433	Hamilton	Maxim Healthcare Services	Home	43	110	39.1%
<b>Maxim Statewide (4)</b>				<b>504</b>	<b>897</b>	<b>56.2%</b>

Source: 2017 TDH Joint Annual Reports.

**Table Need-5H: 2017 TennCare Payor Mix of Agencies Authorized in Service Area--By Agency Name**

Health Statistics ID	Agency County	Agency Name	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	\$6,565,574	\$728,152	11.1%
26054	Franklin	Amedisys Home Care	\$6,742,750	\$0	0.0%
75054	Rutherford	Amedisys Home Health	\$4,602,048	\$0	0.0%
19674	Davidson	Amedisys Home Health (10th Avenue S)	\$14,664,790	\$0	0.0%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	\$7,817,181	\$0	0.0%
75064	Rutherford	Amedisys Home Health Care	\$10,358,230	\$0	0.0%
19684	Davidson	Amedisys Home Health Services	\$5,186,167	\$0	0.0%
95084	Wilson	American National Home Health	\$2,720,411	\$0	0.0%
19504	Davidson	Brookdale Home Health Nashville	\$6,845,273	\$0	0.0%
19724	Davidson	Careall	\$3,521,901	\$1,641,314	46.6%
89074	Warren	Careall Home Care Services	\$2,349,249	\$192,945	8.2%
19734	Davidson	Coram CVS Specialty Infusion Services	\$70,915	\$192	0.3%
14024	Clay	Cumberland River Homecare	\$6,590,015	\$5,316,013	80.7%
52024	Lincoln	Deaconess Homecare	\$825,714	\$0	0.0%
95034	Wilson	Deaconess Homecare I	\$3,694,850	\$9,648	0.3%
19494	Davidson	Elk Valley Health Services, Inc.	\$33,492,632	\$32,138,671	96.0%
26024	Franklin	Encompass Home Health of Tennessee	\$8,565,841	\$299	0.0%
89084	Warren	Friendship Home Health, Inc.	\$1,461,361	\$131,927	9.0%
19614	Davidson	Friendship Home Healthcare, Inc	\$3,102,649	\$855,768	27.6%
94074	Williamson	Guardian Home Care of Nashville, LLC	\$9,521,887	\$0	0.0%
40075	Henry	Henry County Medical Center Home Health	\$839,108	\$23,453	2.8%
02024	Bedford	Heritage Home Health	\$8,232	\$370	4.5%
71014	Putnam	Highland Rim Home Health Agency	\$4,858,295	\$3,057,280	62.9%
83114	Sumner	Highpoint Homecare	\$2,854,948	\$148,768	5.2%
06063	Bradley	Home Health Care of East Tennessee, Inc	\$14,953,436	\$7,995,324	53.5%
19584	Davidson	Home Health Care of Middle Tennessee	\$21,723,246	\$6,028,249	27.8%
19544	Davidson	Homecare Solutions, Inc.	\$6,516,442	\$27,706	0.4%
19364	Davidson	Intrepid USA Healthcare Services	\$1,212,108	\$0	0.0%
71084	Putnam	Intrepid USA Healthcare Services	\$1,081,085	\$0	0.0%
89064	Warren	Intrepid USA Healthcare Services	\$3,339,036	\$0	0.0%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	\$3,503,764	\$0	0.0%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	\$3,824,419	\$0	0.0%
52044	Lincoln	Lincoln Medical Home Health & Hospice	\$746,923	\$36,662	4.9%
60044	Maury	Maury Regional Home Services	\$4,812,827	\$588,058	12.2%
60024	Maury	NHC Homecare	\$14,200,206	\$0	0.0%
75024	Rutherford	NHC Homecare	\$17,393,080	\$0	0.0%
60084	Maury	Quality First Home Care	\$11,251,260	\$5,432,154	48.3%
41034	Hickman	St. Thomas Home Health	\$963,525	\$131,726	13.7%
16034	Coffee	Suncrest Home Health	\$12,862,092	\$1,090,653	8.5%
21024	DeKalb	Suncrest Home Health	\$5,367,277	\$2,204,814	41.1%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	\$4,304,475	\$1,513,609	35.2%
20045	Decatur	Tennessee Quality Homecare-Southwest	\$6,311,349	\$1,142,730	18.1%
19394	Davidson	Vanderbilt Community & Home Services	\$4,270,068	\$3,554,238	83.2%
19394	Davidson	Vanderbilt HC/Option Care IV Services			#DIV/0!
20055	Decatur	Volunteer Homecare of West Tennessee	\$12,849,455	\$1,336,994	10.4%
19694	Davidson	Willowbrook Home Health Care Agency	\$9,859,992	\$0	0.0%
<b>TOTALS</b>			<b>\$308,606,086</b>	<b>\$75,327,717</b>	<b>24.4%</b>

Source: HHA Joint Ann. Reports, 2017.

**TennCare Utilization of Maxim Healthcare Services in Tennessee**

Health Statistics ID	Agency County	Agency Name	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
33433	Hamilton	Maxim Healthcare Services	\$6,004,439	\$5,906,015	98.4%
47432	Knox	Maxim Healthcare Services	\$21,107,824	\$19,642,133	93.1%
79536	Shelby	Maxim Healthcare Services	\$16,716,998	\$16,011,723	95.8%
90141	Washington	Maxim Healthcare Services	\$2,089,000	\$1,861,864	89.1%
19704	Williamson	Maxim Healthcare Services	\$19,304,514	\$17,833,105	92.4%
<b>STATEWIDE TOTALS</b>			<b>\$65,222,775</b>	<b>\$61,254,840</b>	<b>93.9%</b>

Source: HHA Joint Ann. Reports, 2017.

**Table Need-51: 2017 TennCare Payor Mix of Agencies Authorized in Service Area--By TennCare Percent of Revenue**

Health Statistics ID	Agency County	Agency Name	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
19394	Davidson	Vanderbilt HC/Option Care IV Services			
19494	Davidson	Elk Valley Health Services, Inc.	\$33,492,632	\$32,138,671	96.0%
19394	Davidson	Vanderbilt Community & Home Services	\$4,270,068	\$3,554,238	83.2%
14024	Clay	Cumberland River Homecare	\$6,590,015	\$5,316,013	80.7%
71014	Putnam	Highland Rim Home Health Agency	\$4,858,295	\$3,057,280	62.9%
06063	Bradley	Home Health Care of East Tennessee, Inc	\$14,953,436	\$7,995,324	53.5%
60084	Maury	Quality First Home Care	\$11,251,260	\$5,432,154	48.3%
19724	Davidson	Careall	\$3,521,901	\$1,641,314	46.6%
21024	DeKalb	Suncrest Home Health	\$5,367,277	\$2,204,814	41.1%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	\$4,304,475	\$1,513,609	35.2%
19584	Davidson	Home Health Care of Middle Tennessee	\$21,723,246	\$6,028,249	27.8%
19614	Davidson	Friendship Home Healthcare, Inc	\$3,102,649	\$855,768	27.6%
20045	Decatur	Tennessee Quality Homecare-Southwest	\$6,311,349	\$1,142,730	18.1%
41034	Hickman	St. Thomas Home Health	\$963,525	\$131,726	13.7%
60044	Maury	Maury Regional Home Services	\$4,812,827	\$588,058	12.2%
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	\$6,565,574	\$728,152	11.1%
20055	Decatur	Volunteer Homecare of West Tennessee	\$12,849,455	\$1,336,994	10.4%
89084	Warren	Friendship Home Health, Inc.	\$1,461,361	\$131,927	9.0%
16034	Coffee	Suncrest Home Health	\$12,862,092	\$1,090,653	8.5%
89074	Warren	Careall Home Care Services	\$2,349,249	\$192,945	8.2%
83114	Sumner	Highpoint Homecare	\$2,854,948	\$148,768	5.2%
52044	Lincoln	Lincoln Medical Home Health & Hospice	\$746,923	\$36,662	4.9%
02024	Bedford	Heritage Home Health	\$8,232	\$370	4.5%
40075	Henry	Henry County Medical Center Home Health	\$839,108	\$23,453	2.8%
19544	Davidson	Homecare Solutions, Inc.	\$6,516,442	\$27,706	0.4%
19734	Davidson	Coram CVS Specialty Infusion Services	\$70,915	\$192	0.3%
95034	Wilson	Deaconess Homecare I	\$3,694,850	\$9,648	0.3%
26024	Franklin	Encompass Home Health of Tennessee	\$8,565,841	\$299	0.0%
19674	Davidson	Amedisys Home Health (10th Avenue S)	\$14,664,790	\$0	0.0%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	\$7,817,181	\$0	0.0%
19684	Davidson	Amedisys Home Health Services	\$5,186,167	\$0	0.0%
19504	Davidson	Brookdale Home Health Nashville	\$6,845,273	\$0	0.0%
19364	Davidson	Intrepid USA Healthcare Services	\$1,212,108	\$0	0.0%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	\$3,503,764	\$0	0.0%
19694	Davidson	Willowbrook Home Health Care Agency	\$9,859,992	\$0	0.0%
26054	Franklin	Amedisys Home Care	\$6,742,750	\$0	0.0%
52024	Lincoln	Deaconess Homecare	\$825,714	\$0	0.0%
60024	Maury	NHC Homecare	\$14,200,206	\$0	0.0%
71084	Putnam	Intrepid USA Healthcare Services	\$1,081,085	\$0	0.0%
75054	Rutherford	Amedisys Home Health	\$4,602,048	\$0	0.0%
75064	Rutherford	Amedisys Home Health Care	\$10,358,230	\$0	0.0%
75024	Rutherford	NHC Homecare	\$17,393,080	\$0	0.0%
89064	Warren	Intrepid USA Healthcare Services	\$3,339,036	\$0	0.0%
94074	Williamson	Guardian Home Care of Nashville, LLC	\$9,521,887	\$0	0.0%
95084	Wilson	American National Home Health	\$2,720,411	\$0	0.0%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	\$3,824,419	\$0	0.0%
<b>TOTALS</b>			<b>\$308,606,086</b>	<b>\$75,327,717</b>	<b>24.4%</b>

Source: HHA Joint Ann. Reports, 2017.

**TennCare Utilization of Maxim Healthcare Services in Tennessee**

Health Statistics ID	Agency County	Agency Name	Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
33433	Hamilton	Maxim Healthcare Services	\$6,004,439	\$5,906,015	98.4%
79536	Shelby	Maxim Healthcare Services	\$16,716,998	\$16,011,723	95.8%
47432	Knox	Maxim Healthcare Services	\$21,107,824	\$19,642,133	93.1%
19704	Davidson	Maxim Healthcare Services	\$19,304,514	\$17,833,105	92.4%
90141	Washington	Maxim Healthcare Services	\$2,089,000	\$1,861,864	89.1%
<b>STATEWIDE TOTALS</b>			<b>\$65,222,775</b>	<b>\$61,254,840</b>	<b>93.9%</b>

Source: HHA Joint Ann. Reports, 2017.

Table Need-5i: Total Statewide Utilization of Agencies in Service Area in 2015-2017--Alphabetical by Agency Name											
Health Statistics ID	Agency County	Agency Name	Date of Licensure	2015 Patients	2015 Visits	2015 PD Hours	2016 Patients	2016 Visits	2016 PD Hours	2017 Patients	2017 PD Hours
19714	Davidson	Adoration Home Health, LLC	3/24/09	37	18	9,494	569	1,533	42	1,811	44,052
26054	Franklin	Amedisys Home Care	9/19/83	909	22,087	0	1,011	23,092	0	723	11,954
75054	Rutherford	Amedisys Home Health	6/7/84	585	12,441	0	691	15,201	0	508	9,695
19684	Davidson	Amedisys Home Health (10th Avenue S)	7/1/88	638	15,403	0	635	16,742	0	898	29,466
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	2/2/76	1,205	23,552	0	1,348	24,895	0	1,121	18,008
75064	Rutherford	Amedisys Home Health Care	8/23/84	1,265	29,977	0	1,516	36,070	0	1,206	20,684
19684	Davidson	Amedisys Home Health Services	9/10/82	638	15,403	0	635	16,742	0	898	3,722
95084	Wilson	American National Home Health	10/24/00	224	16,997	0	210	16,561	0	214	17,393
19504	Davidson	Brookdale Home Health Nashville	1/13/83	610	31,890	0	854	36,277	0	899	37,489
19724	Davidson	Careall	7/5/84	1,266	13,314	106,309	848	12,825	75,549	633	12,525
89074	Warren	Carroll Home Care Services	3/24/09	749	15,837	26,410	765	14,976	25,938	529	17,420
19734	Davidson	Coram CVS Specialty Infusion Services	1/30/13	36	241	873	45	328	536	35	297
14024	Clay	Cumberland River Homecare	12/28/82	293	11,079	99,012	390	13,431	94,755	414	10,288
52024	Lincoln	Deaconess Homecare	2/25/76	731	13,872	2,510	325	6,705	464	334	6,671
95034	Wilson	Deaconess Homecare I	12/18/78	956	25,996	5,804	658	19,748	1,447	828	27,305
19494	Davidson	Elk Valley Health Services, Inc.	7/17/84	457	112,411	945,276	551	128,438	1,027,116	468	127,644
26024	Franklin	Encompass Home Health of Tennessee	1/29/76	2,581	60,294	0	2,761	64,741	0	1,777	54,255
89084	Warren	Friendship Home Health, Inc.	2/12/08	1,097	18,431	0	329	14,529	0	186	9,727
19614	Davidson	Friendship Home Healthcare, Inc	3/4/96	631	15,696	0	555	19,219	0	537	19,996
94074	Williamson	Guardian Home Care of Nashville, LLC	5/24/01	1,810	57,946	7,729	1,740	61,856	4,991	1,607	56,511
40075	Henry	Henry County Medical Center Home Health	12/7/84	428	6,887	0	427	6,367	0	412	8,613
02024	Bedford	Heritage Home Health	5/4/84	485	7,096	1,329	416	5,955	795	529	973
71014	Putnam	Highland Rim Home Health Agency	5/2/78	549	15,397	81,226	639	15,364	91,283	620	16,166
83114	Sumner	Highpoint Homecare	9/7/84	1,103	16,154	0	1,371	20,274	0	1,699	24,708
06063	Bradley	Home Health Care of East Tennessee, Inc	3/4/84	1,580	52,548	184,759	1,635	51,905	239,838	1,810	41,155
19584	Davidson	Home Health Care of Middle Tennessee	12/20/82	2,998	42,113	521,678	2,564	34,774	527,370	2,608	37,440
19544	Davidson	Homecare Solutions, Inc.	9/7/88	1,813	69,300	905	1,597	54,341	631	1,475	43,618
19364	Davidson	Intrepid USA Healthcare Services	6/20/84	1,146	29,192	0	675	9,740	0	588	11,685
71084	Putnam	Intrepid USA Healthcare Services	6/19/84	369	8,930	0	363	8,481	0	249	7,849
89064	Warren	Intrepid USA Healthcare Services	8/1/84	843	28,173	0	758	22,142	0	877	23,107
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	8/22/84	869	24,921	0	924	23,984	0	1,147	21,816
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	1/10/83	1,109	27,359	0	1,054	24,268	0	1,245	24,648
52044	Lincoln	Lincoln Medical Home Health & Hospice	11/22/83	396	5,574	0	412	5,503	0	359	5,240
60044	Maury	Maury Regional Home Health Services	5/31/84	1,489	23,711	0	1,661	21,645	0	1,548	26,080
60024	Maury	NHC Homecare	11/22/77	2,517	69,334	0	2,769	73,542	0	2,855	76,067
75024	Rutherford	NHC Homecare	5/17/76	4,270	95,199	0	4,318	93,989	0	4,695	88,437
60084	Maury	Quality First Home Care	8/12/82	1,133	22,346	185,739	1,188	26,657	215,081	1,181	28,949
41034	Hickman	St. Thomas Home Health	6/1/84	370	5,493	167	266	6,114	0	297	5,054
16034	Coffee	Suncrest Home Health	4/16/84	1,667	72,648	22,190	304	6,778	0	4,206	97,169
21024	Dekalb	Suncrest Home Health	5/28/82	2,663	99,227	20,447	4,614	98,202	150,652	5,322	79,715
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	2/1/84	864	25,772	37,490	890	22,055	57,211	1,168	18,608
20045	Decatur	Tennessee Quality Homecare-Southwest	3/19/84	1,043	33,261	0	1,095	39,422	0	1,465	41,292
19394	Davidson	Vanderbilt Community & Home Services	6/8/84	1,907	14,214	84,952	1,653	17,088	84,259	64	0
19394	Davidson	Vanderbilt HC/Option Care IV Services	9/15/00								
20055	Decatur	Volunteer Homecare of West Tennessee	6/11/84	1,833	50,730	197,965	1,951	50,271	202,592	2,035	49,400
19694	Davidson	Willowbrook Home Health Care Agency	10/29/81	1,512	31,834	0	1,649	39,333	0	1,960	50,992
TOTALS				51,674	1,390,298	2,542,264	51,629	1,322,103	2,800,550	1,363,883	2,903,820

Source: TDH HHA Joint Ann. Reports, 2015-17, p. 8 for visits and hours; p. 10 for unduplicated patients.

Table Need-5K: 2017 Hours & Visits By Discipline for 46 Major Agencies in Service Area and Maxim Agencies in Tennessee

Health Statistics ID	Agency County	Agency	HOURS BY Discipline					VISITS BY Discipline									
			Home Health Aide	Skilled Nursing	Other	Total Hours, All Disciplines	Home Health Aide	Home Maker Services	Medical Social Services	Occupa'l Therapy	Physical Therapy	Skilled Nursing	Infusion Nursing > 2hrs	Infusion Nursing < 2hrs	Speech Therapy	Other	Total Visits, All Disciplines
Authorized Agencies in Service Area																	
02024	Bedford	Heritage Home Health	142	3,422	3,686	7,250	33	0	62	84	334	454	0	0	6	0	973
06063	Bradley	Home Health Care of East Tennessee, Inc	51,970	187,142	0	239,112	4,377	0	445	422	19,573	15,917	0	0	421	0	41,155
14024	Clay	Cumberland River Homecare	89,477	15,968	0	105,445	33	0	62	84	334	454	0	0	6	0	973
16034	Coffee	Suncrest Home Health	8,411	15,443	13,960	37,814	4,902	0	770	5,454	43,708	40,402	0	64	1,869	0	97,169
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	0	11,397	0	11,397	2,783	0	146	3,119	23,577	13,908	0	0	519	0	44,052
19884	Davidson	Amedys Home Health (10th Avenue S)	0	0	0	0	0	0	162	756	1,605	1,036	0	0	163	0	3,722
19024	Davidson	Amedys Home Health (Glen Echo Rd)	0	0	0	0	252	0	311	2,870	7,509	5,971	0	0	1,095	0	18,008
19684	Davidson	Amedys Home Health Services	0	0	0	0	0	0	162	756	1,605	1,036	0	0	163	0	3,722
19504	Davidson	Brookdale Home Health Nashville	34,807	27,640	13,490	75,937	48	0	285	8,751	14,918	11,197	0	0	2,290	0	37,489
19724	Davidson	Citirell	0	0	0	0	1,628	0	178	834	4,851	4,993	0	0	41	0	12,525
19734	Davidson	Coram CVS Specialty Infusion Services	0	0	1,514	1,514	0	0	0	0	0	0	294	0	0	0	297
19494	Davidson	Elk Valley Health Services, Inc.	230,347	818,469	739	1,049,555	37,356	0	0	1,234	7,721	5,103	0	0	0	264	127,644
19614	Davidson	Friendship Home Healthcare, Inc.	0	0	0	0	5,841	0	0	0	0	0	0	0	0	0	19,996
19544	Davidson	Homecare Solutions, Inc.	334	16,731	21,505	38,570	426	0	729	5,203	18,073	17,245	14	0	1,928	0	43,618
19584	Davidson	Home Health Care of Middle Tennessee	91,420	332,839	21,925	446,184	736	0	320	4,935	14,263	15,145	0	119	1,922	0	37,440
19364	Davidson	Intrapid USA Healthcare Services	0	0	0	0	0	0	194	890	4,957	5,583	0	0	61	0	11,685
19084	Davidson	Kinred at Home (Rte Gentiva Hth Svcs)	0	0	0	0	0	0	294	3,466	9,773	7,268	0	0	1,015	0	21,816
19394	Davidson	Vanderbilt Community & Home Services	29,999	46,106	777	76,882	0	0	0	0	0	0	0	0	0	0	0
19394	Davidson	Vanderbilt HC/Option Care IV Services	0	0	0	0	0	0	735	7,744	21,955	17,219	0	0	2,194	0	50,992
19694	Davidson	Willowbrook Home Health Care Agency	0	0	0	0	1,145	0	0	0	0	0	0	0	0	0	41,292
20045	Deatur	Tennessee Quality Homecare-Southwest	0	0	0	0	5,613	178	161	486	12,589	22,019	0	0	246	0	49,400
20055	Deatur	Volunteer Homecare of West Tennessee	137,111	63,795	1,686	202,592	12,277	0	309	1,053	11,459	24,118	0	0	184	0	79,715
21024	DeKals	Suncrest Home Health	37,430	26,060	37,773	101,263	9,011	0	815	4,873	31,875	32,282	0	14	1,231	0	79,715
26054	Franklin	Amedys Home Care	0	0	0	0	668	0	196	764	5,100	4,670	0	0	556	0	11,954
26024	Franklin	Encompass Home Health of Tennessee	651	17,088	28,752	46,491	547	0	467	7,740	21,242	19,777	0	0	4,482	0	54,255
40075	Henry	Henry County Medical Center Home Health	0	0	0	0	106	0	79	20	4,415	3,843	8	0	142	0	8,613
41034	Hickman	St. Thomas Home Health	0	0	0	0	5	0	1	1,257	1,490	2,227	0	0	74	0	5,054
52024	Lincoln	Deaconess Homecare	508	2,517	3,066	6,091	574	0	2	104	3,430	2,531	0	0	30	0	6,671
52044	Lincoln	Lincoln Medical Home Health & Hospice	0	0	0	0	318	0	110	241	1,758	2,669	0	0	144	0	5,240
60044	Maury	Maury Regional Home Services	0	0	0	0	1,414	0	62	1,904	9,337	12,982	0	0	381	0	26,080
60024	Maury	NHC Homecare	0	0	0	0	6,090	0	382	645	24,867	43,598	200	0	285	0	76,067
60084	Maury	Quality First Home Care	129,131	93,211	2,779	225,121	2,905	0	98	1,144	7,742	16,056	0	0	1,004	0	28,949
63044	Montgomery	Suncrest Home Health of Nashville, Inc	36,434	17,667	760	54,861	571	0	185	3,536	6,602	7,427	0	0	287	0	18,608
71014	Putnam	Highland Rm Home Health Agency	61,634	15,971	740	78,345	4,154	0	493	1,534	4,310	5,645	0	0	30	0	16,166
71084	Putnam	Intrapid USA Healthcare Services	0	0	0	0	1,176	0	30	251	2,496	3,896	0	0	0	0	7,849
75054	Rutherford	Amedys Home Health	0	0	0	0	439	0	198	1,029	4,351	3,002	0	0	676	0	9,695
75064	Rutherford	Amedys Home Health Care	0	0	0	0	369	0	281	2,538	8,817	7,647	0	0	1,032	0	20,684
75024	Rutherford	NHC Homecare	0	0	0	0	4,728	0	445	7,116	35,677	39,620	0	0	851	0	88,437
83114	Sumner	HighPoint Homecare	968	11,465	10,026	22,459	1,162	0	147	1,618	9,031	12,216	0	0	134	400	24,708
89074	Warren	Carroll Home Care Services	8,076	744	2,768	11,588	1,059	0	193	1,126	6,099	8,943	0	0	0	0	17,420
89084	Warren	Friendship Home Health, Inc.	0	0	0	0	1,481	0	0	0	5,191	3,055	0	0	0	0	9,727
89064	Warren	Intrapid USA Healthcare Services	0	0	0	0	874	0	386	955	8,389	12,340	0	0	163	0	23,107
94074	Williamson	Guardian Home Care of Nashville, LLC	1,122	14,145	27,216	42,483	1,138	0	941	9,927	22,103	19,585	0	0	2,817	0	56,511
95084	Wilson	American National Home Health	0	0	0	0	1,227	0	99	0	8,233	7,814	0	0	20	0	17,393
95084	Wilson	Deaconess Homecare I	1,657	9,338	11,871	22,866	2,072	0	39	5,206	10,170	9,026	0	0	792	0	27,305
95074	Wilson	Kinred at Home (Rte Gentiva Hth Svcs)	0	0	0	0	870	0	397	3,218	10,920	8,460	0	0	783	0	24,648
			11,823	35,692	51,881	99,396	14,980	0	2,928	31,704	124,630	128,706	0	0	400	0	441
Maxim Healthcare Services																	
19704	Davidson	Maxim Healthcare Services	62,750	472,550	0	535,300	0	0	0	0	0	933	0	0	0	0	933
33433	Hamilton	Maxim Healthcare Services	30,587	145,611	117	176,315	0	0	0	0	0	433	40	0	42	0	515
47432	Knox	Maxim Healthcare Services	107,902	509,861	0	617,763	0	0	0	0	0	666	0	0	0	0	666
79536	Shelby	Maxim Healthcare Services	134,593	373,430	0	508,023	0	0	0	0	0	2,303	0	0	0	0	2,303
90141	Washington	Maxim Healthcare Services	5,702	55,007	0	60,709	0	0	0	0	0	0	0	0	0	0	0
			341,534	1,556,499	117	1,898,110	0	0	0	0	0	4,835	40	0	43	0	4,417

Source: TDH HHA Joint Annual Reports, 2017.

Table Need-5L: TennCare Utilization of Agencies Serving Service Area in 2017

Health Statistics ID	Agency County	Agency Name	Date of License/Service	Total Agency Patients	Total TNCare Patients	TennCare % of Total Patients	Total Agency Visits	TennCare Visits	TennCare % of Total Visits	Total Agency Hours	TennCare Hours	TennCare % of Total Hours	Total Gross Revenue	TennCare Gross Revenue	TennCare % of Gross Revenue
19714	Davidson	Adoration Home Health, LLC (Tennessee HH)	9/24/09	1,819	135	7.4%	44,052	3,278	7.4%	11,397	11,397	100.0%	\$6,565,574	\$728,152	11.1%
26054	Franklin	Amelids Home Care	9/19/83	1,558	0	0.0%	11,954	0	0.0%	0	0	0.0%	\$6,742,750	\$0	0.0%
75054	Rutherford	Amelids Home Health	6/7/84	1,274	0	0.0%	9,695	0	0.0%	0	0	0.0%	\$4,664,790	\$0	0.0%
19674	Davidson	Amelids Home Health (10th Avenue S)	7/1/88	4,066	0	0.0%	29,466	0	0.0%	0	0	0.0%	\$14,664,790	\$0	0.0%
19024	Davidson	Amelids Home Health (Glen Echo Rd)	2/2/76	2,692	0	0.0%	18,008	0	0.0%	0	0	0.0%	\$7,817,181	\$0	0.0%
75064	Rutherford	Amelids Home Health Care	6/23/84	2,657	0	0.0%	20,684	0	0.0%	0	0	0.0%	\$10,358,230	\$0	0.0%
19684	Davidson	Amelids Home Health Services	9/10/82	1,222	0	0.0%	9,722	0	0.0%	0	0	0.0%	\$5,186,167	\$0	0.0%
95084	Wilson	American National Home Health	10/24/00	2,594	0	0.0%	17,593	0	0.0%	0	0	0.0%	\$2,720,411	\$0	0.0%
19504	Davidson	Brookdale Home Health Nashville	1/13/83	1,835	0	0.0%	37,489	0	0.0%	0	0	0.0%	\$6,845,273	\$0	0.0%
19724	Davidson	Careall	7/15/84	1,325	176	13.3%	12,525	459	3.7%	75,937	54,436	74.3%	\$3,521,901	\$1,641,314	46.6%
89074	Warren	Coram CVS Specialty Infusion Services	3/24/09	1,096	66	6.0%	17,420	485	2.8%	11,588	6,183	0.0%	\$2,349,249	\$192,945	8.2%
19734	Davidson	Coram CVS Specialty Infusion Services	1/30/13	35	1	2.9%	297	2	0.7%	1,514	6	0.4%	\$70,915	\$192	0.3%
14024	Clay	Cumberland River Homecare	12/28/82	390	162	41.5%	10,288	4,519	43.9%	105,445	94,946	90.0%	\$6,590,015	\$5,316,013	80.7%
52024	Lincoln	Deaconess Homecare	2/25/76	334	0	0.0%	6,671	0	0.0%	6,091	0	0.0%	\$825,714	\$0	0.0%
95034	Wilson	Deaconess Homecare 1	12/18/78	838	51	6.0%	27,305	268	1.0%	22,866	235	1.0%	\$3,694,850	\$9,648	0.3%
19494	Davidson	Elk Valley Health Services, Inc.	7/17/84	468	424	90.6%	127,644	96,226	75.4%	1,049,555	942,567	89.8%	\$33,492,632	\$32,138,671	96.0%
26024	Franklin	Encampus Home Health of Tennessee	1/29/76	2,102	1	0.0%	54,255	8	0.0%	46,491	10	0.0%	\$8,565,841	\$299	0.0%
89084	Warren	Friendship Home Health, Inc.	2/12/08	261	13	5.0%	9,727	912	9.4%	0	0	0.0%	\$1,461,361	\$131,927	9.0%
19514	Davidson	Friendship Home Healthcare, Inc.	3/4/86	769	47	6.1%	19,996	5,237	26.2%	0	0	0.0%	\$3,102,649	\$855,768	27.6%
94074	Williamson	Guardian Home Care of Nashville, LLC	5/24/01	1,607	0	0.0%	56,511	0	0.0%	42,483	0	0.0%	\$9,521,887	\$0	0.0%
40075	Henry	Henry County Medical Center Home Health	12/7/84	417	32	7.7%	8,613	1,928	22.4%	0	0	0.0%	\$839,108	\$23,453	2.8%
02024	Bedford	Heritage Home Health	5/4/84	818	44	5.4%	973	47	4.8%	7,250	328	4.5%	\$8,232	\$370	4.5%
71014	Putnam	Highland Rim Home Health Agency	5/2/78	6,601	152	2.3%	16,166	1,332	8.2%	78,345	71,369	91.1%	\$4,858,295	\$3,057,280	62.9%
83114	Sumner	Highpoint Homecare	9/7/84	1,601	105	6.6%	24,708	1,788	7.2%	22,459	1,688	7.5%	\$2,854,948	\$148,768	5.2%
06063	Bradley	Home Health Care of East Tennessee, Inc.	3/14/84	1,624	150	9.2%	41,155	1,700	4.1%	239,112	225,470	95.0%	\$14,953,436	\$7,995,324	53.5%
19584	Davidson	Home Health Care of Middle Tennessee	12/20/82	2,647	354	13.4%	37,440	5,074	13.6%	446,184	596,053	88.8%	\$21,723,246	\$6,028,249	27.8%
19544	Davidson	Homecare Solutions, Inc.	9/7/88	1,475	10	0.7%	43,618	130	0.3%	38,570	131	0.3%	\$6,516,442	\$27,706	0.4%
19564	Davidson	Intrepid USA Healthcare Services	6/20/84	1,185	0	0.0%	11,685	0	0.0%	0	0	0.0%	\$1,212,108	\$0	0.0%
71084	Putnam	Intrepid USA Healthcare Services	6/19/84	246	0	0.0%	7,849	0	0.0%	0	0	0.0%	\$1,081,085	\$0	0.0%
89064	Warren	Intrepid USA Healthcare Services	8/1/84	711	0	0.0%	23,107	0	0.0%	0	0	0.0%	\$3,339,036	\$0	0.0%
19084	Davidson	Kindred at Home (Ho Gentiva HH Svcs)	8/22/84	3,307	0	0.0%	21,816	0	0.0%	0	0	0.0%	\$3,503,764	\$0	0.0%
95074	Wilson	Kindred at Home (Ho Gentiva HH Svcs)	1/10/83	4,482	0	0.0%	24,548	0	0.0%	0	0	0.0%	\$3,824,419	\$0	0.0%
52044	Lincoln	Lincoln Medical Home Health & Hospice	3/12/83	326	18	5.5%	5,240	225	4.3%	0	0	0.0%	\$746,923	\$56,662	7.6%
60044	Maury	Maury Regional Home Services	5/31/84	26,080	3,321	12.7%	26,080	3,321	12.7%	0	0	0.0%	\$4,812,827	\$588,058	12.2%
60024	Maury	NHC Homecare	11/22/77	2,897	0	0.0%	76,067	0	0.0%	0	0	0.0%	\$14,200,206	\$0	0.0%
75024	Rutherford	NHC Homecare	5/17/76	4,773	0	0.0%	88,437	0	0.0%	0	0	0.0%	\$17,393,080	\$0	0.0%
60084	Maury	Quality First Home Care	8/12/82	1,227	211	17.2%	28,949	4,432	15.3%	225,121	138,137	61.4%	\$11,251,260	\$5,432,154	48.3%
41034	Hickman	St. Thomas Home Health	6/7/84	330	56	17.0%	5,054	873	17.3%	0	0	0.0%	\$963,525	\$131,726	13.7%
16034	Coffee	Suncrest Home Health	4/16/84	2,836	233	8.2%	97,169	12,916	13.3%	37,814	22,227	58.8%	\$12,862,092	\$1,090,653	8.5%
21024	DeKalb	Suncrest Home Health	5/28/82	5,047	287	5.7%	79,715	3,582	4.5%	101,263	63,451	62.7%	\$5,367,277	\$2,204,814	41.1%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	2/1/84	1,286	198	15.4%	18,608	2,223	11.9%	54,861	40,472	73.8%	\$4,304,475	\$1,513,609	35.2%
20045	Deatur	Tennessee Quality Homecare-Southwest	3/19/84	1,537	89	5.8%	41,292	4,426	10.7%	0	0	0.0%	\$6,311,349	\$1,142,730	18.1%
19594	Davidson	Vanderbilt Community & Home Services	6/8/84	70	34	48.6%	0	0	0.0%	76,882	66,265	86.2%	\$4,270,068	\$3,554,238	83.2%
19594	Davidson	Vanderbilt HC/Option Care IV Services	9/15/00	2,035	358	17.6%	49,400	5,121	10.4%	202,592	123,807	61.1%	\$12,849,455	\$1,336,994	10.4%
20055	Deatur	Volunteer Homecare of West Tennessee	6/11/84	1,960	0	0.0%	50,992	0	0.0%	0	0	0.0%	\$9,859,992	\$0	0.0%
19694	Davidson	Willowbrook Home Health Care Agency	10/29/81	1,960	0	0.0%	50,992	0	0.0%	0	0	0.0%	\$9,859,992	\$0	0.0%
TOTALS & PERCENT TENNCARE				106,708	6,682	6.3%	1,363,883	160,512	11.8%	2,903,820	2,265,176	78.0%	\$298,746,094	\$75,327,717	25.2%

TennCare Utilization of Maxim Healthcare Services in Tennessee

TennCare Utilization of Maxim Healthcare Services in Tennessee														
Health Statistics ID	Agency County	Agency Name	Total Agency Patients	TennCare Patients	TennCare % of Total Patients	Total Agency Visits	TennCare Visits	TennCare % of Total Visits	Total Agency Hours	TennCare Hours	TennCare % of Total Hours	Total Gross Revenue	TennCare Gross Revenue	TennCare % of Gross Revenue
33433	Hamilton	Maxim Healthcare Services	113	93	82.3%	515	110	21.4%	176,315	173,885	98.6%	\$6,004,439	\$5,906,015	98.4%
47432	Knox	Maxim Healthcare Services	308	256	83.1%	666	479	71.9%	617,763	576,934	93.4%	\$21,107,824	\$19,642,123	93.1%
79556	Shelby	Maxim Healthcare Services	266	218	82.0%	2,303	2,303	100.0%	508,023	102,334	20.1%	\$16,716,998	\$16,011,723	95.8%
90141	Washington	Maxim Healthcare Services	27	26	96.3%	0	0	0.0%	60,709	54,885	90.4%	\$2,089,000	\$1,861,864	89.1%
19704	Williamson	Maxim Healthcare Services	255	222	87.1%	933	498	53.4%	535,300	504,511	94.2%	\$19,304,514	\$17,833,105	92.4%
STATEWIDE TOTALS			969	815	84.1%	4,417	3,390	76.7%	1,898,110	1,412,549	74.4%	65,222,775	61,252,840	93.9%

Source: HHA Joint Ann. Reports, 2017. From page 11, totals by revenue source.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Historic Utilization 2015-2017

Table Need-6: Utilization of Maxim Health Services (Middle Tennessee) 2015-2017			
	2015	2016	2017
Patients	37	210	231
Visits	18	31,112	933
Hours	9,494	391,385	535,300

Source: Joint Annual Reports.

Note: JAR is fiscal year ending June 30; Historic Data Chart is calendar year data and will not match this table's data.

Projected Utilization 2019-2020

The tables on the following pages project utilization from the proposed service area, in terms of patients, visits, hours, payor mix, and age cohorts. In making the projections, Maxim estimates that it will serve 18 patients in Year One and 36 patients in Year Two. This was based on Maxim's startup experience in several Tennessee markets.

Projected patients, visits, and hours were estimated at 90% TennCare/Medicaid, 10% commercial, and none from Medicare, private pay, TRICARE, home and community based waiver programs, or other sources.

Skilled nursing and Aide FTE's were allocated to disciplines at 80% and 20%, respectively.

Payor mix of gross revenue was estimated at 88% TennCare/Medicaid and 12% Commercial.

Table Need-6A: Projected Utilization from Proposed Counties						
Year One (2019)						
Counties	Patients			Total (Rounded)	Visits	Hours
	Intermittent	Private Duty				
Bedford	1.0	2.0		3	163.4	6,100.4
Cannon	0.5	1.0		2	46.8	1,748.7
Coffee	1.0	2.0		3	182.4	6,809.6
DeKalb	0.5	1.0		2	63.8	2,381.6
Hickman	0.5	1.0		2	86.2	3,217.8
Marshall	0.5	1.0		2	108.9	4,066.2
Maury	2.0	4.0		6	284.5	10,619.6
Service Area Total	6.0	12.0		18	936.0	34,944.0
<b>** Visits are based on 3 visits per patient each week x 52 weeks; PDN Hours are based 56 per patient X 52 weeks</b>						
Year Two (2020)						
Counties	Patients			Total (Rounded)	Visits	Hours
	Intermittent	Private Duty				
Bedford	2.0	4.0		6	324.4	12,111.9
Cannon	1.0	2.0		3	92.6	3,458.7
Coffee	2.0	4.0		6	361.3	13,488.1
DeKalb	1.0	2.0		3	126.2	4,709.9
Hickman	1.0	2.0		3	170.8	6,378.2
Marshall	1.0	2.0		3	216.3	8,076.3
Maury	4.0	8.0		12	580.3	21,664.9
Service Area Total	12.0	24.0		36	1,872.0	69,888.0

Source: Maxim management. Patients, visits and hours allocated to counties in proportion to population.

Service Area Population Tenn Dept of Health			
County	2019 Population	Percent of Total Population	
Bedford	51,420	17.5%	
Cannon	14,740	5.0%	
Coffee	57,398	19.5%	
DeKalb	20,074	6.8%	
Hickman	27,123	9.2%	
Marshall	34,274	11.6%	
Maury	89,512	30.4%	
Total	294,541	100.0%	
County	2020 Population	Percent of Total Population	
Bedford	51,961	17.3%	
Cannon	14,838	4.9%	
Coffee	57,865	19.3%	
DeKalb	20,206	6.7%	
Hickman	27,363	9.1%	
Marshall	34,648	11.6%	
Maury	92,944	31.0%	
Total	299,825	100.0%	

Table Need-6B: Projected Utilization from Proposed Counties, By Discipline						
Discipline	Year One (2019)			Year Two (2020)		
	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	14.0	936.0	23,296.0	28.0	1,872.0	46,592.0
Aide	4.0	0.0	11,648.0	8.0	0.0	23,296.0
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	18.0	936.0	34,944.0	36.0	1,872.0	69,888.0

Source: Maxim Management

Assumes Maxim directly provides only PDN and Aide, at 80% and 20% allocation respectively, across patients, visits, hours (Maxim Statewide average per Maxim).

**Table Need 6-C: Projected Utilization from Proposed Total Service Area, By Age and Discipline**

Year One (2019)															
Discipline	Pediatric 0-17 Yrs (70%)			Adult 18-64 Yrs (25%)			Adult 65-74 Yrs (5%)			Adult 75+ Yrs (0%)			Totals (100.0%)		
	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	10.1	524.2	19,568.6	3.6	187.2	6,988.8	0.7	37.4	1,397.8	0.0	0.0	0.0	14.4	748.8	27,955.2
Aide	2.5	2.5	4,892.2	0.9	46.8	1,747.2	0.2	9.4	349.4	0.0	#REF!	0.0	3.6	187.2	6,988.8
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	12.6	526.7	24,460.8	4.5	234.0	8,736.0	0.9	46.8	1,747.2	0.0	0.0	0.0	18.0	936.0	34,944.0
Year Two (2020)															
Discipline	Pediatric 0-17 Yrs (70%)			Adult 18-64 Yrs (25%)			Adult 65-74 Yrs (2.9%)			Adult 75+ Yrs (0%)			Totals (100.0%)		
	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	20.2	1,048.3	39,137.3	73.0	780.0	13,977.6	15.0	156.0	2,795.5	0.0	0.0	0.0	28.8	1,497.6	55,910.4
Aide	5.0	262.1	9,784.3	18.0	0.0	3,494.4	4.0	0.0	698.9	0.0	0.0	0.0	7.2	374.4	13,977.6
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	25.2	1,310.4	48,921.6	91.0	780.0	17,472.0	19.0	156.0	3,494.4	0.0	0.0	0.0	36.0	1,872.0	69,888.0

Source: Maxim management. Age Cohort percentages reflect Maxim Middle Tennessee experience.

Totals spread among age cohorts using Maxim Statewide experience. See work tables below. Cohort totals allocated 80% to skilled nursing, 20% to aide.

Table Need-6D: Projected Utilization from Total Proposed Service Area						
Year One (2019)						
Counties	Patients (Rounded)			Total (Rounded)	Visits	Hours
	Intermittent	Private Duty				
Bedford	18.1	36.2		54	381.3	150,985.1
Cannon	5.2	1.0		16	109.3	43,281.2
Coffee	20.2	2.0		61	425.6	168,538.4
DeKalb	7.1	1.0		21	148.8	58,943.5
Hickman	9.5	1.0		29	201.1	79,641.6
Marshall	12.1	1.0		36	254.1	100,639.1
Maury	31.5	4.0		95	663.7	262,835.1
Service Area Total	103.7	46.2		311	2,184.0	864,864.0
<b>** Visits are based on 3 visits per patient each week x 52 weeks; PDN Hours are based 56 per patient X 52 weeks</b>						
Year Two (2020)						
Counties	Patients (Rounded)			Total (Rounded)	Visits	Hours
	Intermittent	Private Duty				
Bedford	21.1	42.2		63	540.7	174,108.6
Cannon	6.0	12.0		18	154.4	49,718.5
Coffee	23.5	47.0		70	602.1	193,891.4
DeKalb	8.2	16.4		25	210.3	67,705.3
Hickman	11.1	22.2		33	284.7	91,686.7
Marshall	14.1	28.1		42	360.5	116,096.9
Maury	37.7	75.4		113	967.2	311,432.5
Service Area Total	121.7	243.3		365	3,120.0	1,004,640.0

Source: Maxim management. Patients, visits and hours allocated to counties in proportion to population.

Service Area Population Tenn Dept of Health			
County	2019 Population	Percent of Total Population	
Bedford	51,420	17.5%	
Cannon	14,740	5.0%	
Coffee	57,398	19.5%	
DeKalb	20,074	6.8%	
Hickman	27,123	9.2%	
Marshall	34,274	11.6%	
Maury	89,512	30.4%	
Total	294,541	100.0%	
County	2020 Population	Percent of Total Population	
Bedford	51,961	17.3%	
Cannon	14,838	4.9%	
Coffee	57,865	19.3%	
DeKalb	20,206	6.7%	
Hickman	27,363	9.1%	
Marshall	34,648	11.6%	
Maury	92,944	31.0%	
Total	299,825	100.0%	

Table Need-6E: Projected Utilization from Proposed Total Service Area, By Discipline						
Discipline	Year One (2019)			Year Two (2020)		
	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	249.0	2,184.0	691,891.0	292.0	3,120.0	803,712.0
Aide	62.0	0.0	172,973.0	73.0	0.0	200,928.0
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	311.0	2,184.0	864,864.0	365.0	3,120.0	1,004,640.0

**Table Need 6-F: Projected Utilization from Proposed Total Service Area, By Age and Discipline**

Table Need 6-F: Projected Utilization from Proposed Total Service Area, By Age and Discipline																
Year One (2019)																
Discipline	Pediatric 0-17 Yrs (70%)			Adult 18-64 Yrs (25%)			Adult 65-74 Yrs (5%)			Adult 75+ Yrs (0%)			Totals (100.0%)			
	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	
Skilled Nursing	173.6	1,529.0	484,324.0	62.0	546.0	172,973.0	12.4	109.0	34,595.0	0.0	0.0	0.0	248.0	2,184.0	691,892.0	
Aide	44.1	0.0	121,081.0	15.8	0.0	43,243.0	3.2	0.0	8,648.0	0.0	0.0	0.0	63.0	0.0	172,972.0	
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	217.7	1,529.0	605,405.0	77.8	546.0	216,216.0	15.6	109.0	43,243.0	0.0	0.0	0.0	311.0	2,184.0	864,864.0	
Year Two (2020)																
Discipline	Pediatric 0-17 Yrs (70%)			Adult 18-64 Yrs (25%)			Adult 65-74 Yrs (2.9%)			Adult 75+ Yrs (0%)			Totals (100.0%)			
	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	
Skilled Nursing	204.0	2,184.0	562,598.0	73.0	780.0	200,928.0	15.0	156.0	40,186.0	0.0	0.0	0.0	292.0	3,120.0	803,712.0	
Aide	51.0	0.0	140,650.0	18.0	0.0	50,232.0	4.0	0.0	10,046.0	0.0	0.0	0.0	73.0	0.0	200,928.0	
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	255.0	2,184.0	703,248.0	91.0	780.0	251,160.0	19.0	156.0	50,232.0	0.0	0.0	0.0	365.0	3,120.0	1,004,640.0	

Source: Maxim management. Age Cohort percentages reflect Maxim Middle Tennessee experience.

Exhibit Two totals spread among age cohorts using Maxim Statewide experience. See work tables below. Cohort totals allocated 80% to skilled nursing, 20% to aide.

Table Need-6G: Maxim Projected Payor Mix on Gross Revenues (Billings) Year One										
Year One (2019)										
	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other	Total (100%)
Patients	0	0.0%	16,20	90.0%	1.80	10.0%	0.00	0.0%	0.0	18
Visits	0	0.0%	842	90.0%	94	10.0%	0	0.0%	0.0	936
Hours	0	0.0%	31,450	90.0%	3,494	10.0%	0	0.0%	0.0	34,944
Gross Revenue	\$0	0.0%	\$909,814	88.0%	\$124,066	12.0%	0	0.0%	0.0	1,033,880
Gross Rev/Hr	\$0		\$29		\$36		0		0.0	30
Gross Revenue/Pat	\$0		\$56,161		\$68,926		0		0.0	57,438
Year Two (2020)										
	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other	Total (100%)
Patients	0	0.0%	32,40	90.0%	3.60	10.0%	0.00	0.0%	0.0	36
Visits	0	0.0%	1,685	90.0%	187	10.0%	0	0.0%	0.0	1,872
Hours	0	0.0%	62,899	90.0%	6,989	10.0%	0	0.0%	0.0	69,888
Gross Revenue	\$0	0.0%	1,819,630	88.0%	\$248,131	12.0%	0	0.0%	\$0	2,067,761
Gross Rev/Hr	\$0	0.0%	29	90.0%	\$36	10.0%	0	0.0%	\$0	30
Gross Revenue/Pat	\$0	0.0%	56,161	90.0%	\$68,925	10.0%	0	0.0%	\$0	57,438

Source: Maxim management. Very small numbers are shown to two decimal places to clarify that they add to the total columns.

TennCare hourly at \$46; commercial hourly at \$46.

Note: TennCare requires its TennCare providers to have a Medicare provider number. But Maxim is a private duty company that has committed not to compete with other home health agencies for Medicare patients. **Maxim will serve one Medicare-age patient per year (one with commercial insurance) to maintain a Medicare provider number; but the secondary insurance will pay and Medicare will not—hence no Medicare revenue is projected in the P&L.**

The single Medicare eligible patient is in the "commercial" columns in the tables above.

## ECONOMIC FEASIBILITY

**1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.**

**A. All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee), (See application instructions for Filing Fee.)**

**B. The cost of any lease, The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.**

**C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.**

The Project Cost Chart follows this page.

**D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.**

Not applicable because the project requires no construction.

**E. For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:**

- 1) A general description of the project;**
- 2) An estimate of the cost to construct the project; and**
- 3) A description of the status of the site's suitability for the proposed project;**
- 4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.**

Not applicable. No construction is required.

## PROJECT COST CHART--MAXIM MIDDLE TENNESSEE EXPANSION

### A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$ 0
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)	75,000
3. Acquisition of Site	0
4. Preparation of Site	0
5. Total Construction Cost	0
6. Contingency Fund	0
7. Fixed Equipment (Not included in Construction Contract)	0
8. Moveable Equipment (List all equipment over \$50,000 as separate attachment)	0
9. Other (Specify) _____	0

### B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	0
2. Building only	0
3. Land only	0
4. Equipment (Specify) _____	0
5. Other (Specify) _____	0

### C. Financing Costs and Fees:

1. Interim Financing	0
2. Underwriting Costs	0
3. Reserve for One Year's Debt Service	0
4. Other (Specify) _____	0

### D. Estimated Project Cost (A+B+C)

75,000

### E. CON Filing Fee

15,000

### F. Total Estimated Project Cost (D+E)

**TOTAL \$ 90,000**

Actual Capital Cost	90,000
Section B FMV	0

**2. Identify the funding sources for this project.**

**Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)**

☐ **A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;**

☐ **B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;**

☐ **C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;**

☐ **D. Grants--Notification of Intent form for grant application or notice of grant award;**

☒ **E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or**

☐ **F. Other--Identify and document funding from all sources.**

The cost of this project is limited to the cost of the CON process. The expenditure of these funds has been authorized by the applicant's corporate office, as documented by a commitment letter from Maxim management, in Attachment B-Economic Feasibility-2.

**3. Complete Historical Data Charts on the following pages--Do not modify the Charts or submit Chart substitutions!**

**Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. Only complete one chart if it suffices.**

**Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.**

The Historic Data Chart for Maxim Healthcare Services (Middle Tennessee) is provided on the following pages.

X TOTAL FACILITY

O PROJECT ONLY

## HISTORICAL DATA CHART --NASHVILLE

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2015	Year 2016	Year 2017
A. Utilization Data (Specify unit or measure)	PATIENTS	143	232	275
	HOURS	342,355	493,980	573,306
	VISITS	2,195	1,625	1,907
B. Revenue from Services to Patients				
1. Inpatient Services		\$ 12,907,624	\$ 18,306,723	\$ 20,862,714
2. Outpatient Services				
3. Emergency Services				
4. Other Operating Revenue				
(Specify) See notes page				
Gross Operating Revenue		\$ 12,907,624	\$ 18,306,723	\$ 20,862,714
C. Deductions from Gross Operating Revenue				
1. Contractual Adjustments		\$	\$	\$
2. Provision for Charity Care				
3. Provisions for Bad Debt		155,991	301,430	133,124
Total Deductions		\$ 155,991	\$ 301,430	\$ 133,124
NET OPERATING REVENUE		\$ 12,751,634	\$ 18,005,293	\$ 20,729,590
D. Operating Expenses				
1. Salaries and Wages		\$ 8,666,843	\$ 12,260,628	\$ 14,078,990
a. Clinical				
b. Non-Clinical				
2. Physicians Salaries and Wages				
3. Supplies		73,128	87,037	78,151
4. Rent		86,031	219,325	216,470
a. Paid to Affiliates				
b. Paid to Non-Affiliates				
5. Management Fees				
a. Paid to Affiliates				
b. Paid to Non-Affiliates				
6. Other Operating Expenses	See notes page.			
Total Operating Expenses		\$ 8,826,002	\$ 12,566,991	\$ 14,373,611
E. Earnings Before Interest, Taxes, and Depreciation		\$ 3,925,632	\$ 5,438,302	\$ 6,355,979
F. Non-Operating Expenses				
1. Taxes		\$ 1,370,232	1,997,089	2,256,762
2. Depreciation		22,070	52,124	59,968
3. Interest		61,491	67,093	74,357
4. Other Non-Operating Expenses				
Total Non-Operating Expenses		\$ 1,453,793	\$ 2,116,306	\$ 2,391,088
NET INCOME (LOSS)		\$ 2,471,839	\$ 3,321,997	\$ 3,964,891

Chart Continues Onto Next Page

	Year 2015	Year 2016	Year 2017
<b>NET INCOME (LOSS)</b>	\$ 2,471,839	\$ 3,321,997	\$ 3,964,891
<b>G. Other Deductions</b>			
1. Annual Principal Debt Repayment	\$	\$	\$
2. Annual Capital Expenditure			
<b>Total Other Deductions</b>	\$ 0	\$ 0	\$ 0
<b>NET BALANCE</b>	\$ 2,471,839	\$ 3,321,997	\$ 3,964,891
<b>DEPRECIATION</b>	\$ 22,070	\$ 52,124	\$ 59,968
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	\$ 2,493,909	\$ 3,374,120	\$ 4,024,859

X TOTAL FACILITY  
O PROJECT ONLY

### HISTORICAL DATA CHART -- OTHER EXPENSES

#### OTHER EXPENSES CATEGORIES

	Year 2015	Year 2016	Year 2017
1. SG&A	\$ 237,907	\$ 275,410	\$ 274,535
2. Regional Support	356,093	343,025	284,646
3. Corporate Support	742,649	1,211,354	1,244,944
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12.			
13.			
14.			
15.			
<b>Total Other Expenses</b>	\$ 1,336,649	\$ 1,829,789	\$ 1,804,125

3. Complete Projected Data Charts on the following pages – *Do not modify the Charts provided or submit Chart substitutions!*

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. Only complete one chart if it suffices.

*Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

Projected Data Charts are provided on the following pages for (a) Maxim Healthcare Services in the proposed 7 counties; and (b) Maxim Healthcare Services operations when expanded to 16 counties.

O TOTAL FACILITY  
X PROJECT ONLY

**PROJECTED DATA CHART --NASHVILLE / ONLY PROPOSED ADDITIONAL COUNTIES**

Give information for the last three (3) years for which complete data are available for the facility or agency.  
The fiscal year begins in January.

		Year 2019 (Year One)	Year 2020 (Year Two)
A.	Utilization Data		
	(Specify unit or measure)		
	PATIENTS	18	36
	HOURS	34,944	69,888
	VISITS	936	1,872
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 954,320	\$ 1,908,641
2.	Outpatient Services		
3.	Emergency Services		
4.	Other Operating Revenue	79,560	159,120
	(Specify) <u>See notes page</u>		
	<b>Gross Operating Revenue</b>	<b>\$ 1,033,880</b>	<b>\$ 2,067,761</b>
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$	\$
2.	Provision for Charity Care		
3.	Provisions for Bad Debt	6,597	13,194
	<b>Total Deductions</b>	<b>\$ 6,597</b>	<b>\$ 13,194</b>
	<b>NET OPERATING REVENUE</b>	<b>\$ 1,027,283</b>	<b>\$ 2,054,567</b>
D.	Operating Expenses		
1.	Salaries and Wages	\$ 697,703	\$ 1,395,407
	a. Clinical		
	b. Non-Clinical		
2.	Physicians Salaries and Wages		
3.	Supplies	\$ 3,873	\$ 7,746
4.	Rent	\$	\$
	a. Paid to Affiliates		
	b. Paid to Non-Affiliates		
5.	Management Fees		
	a. Paid to Affiliates		
	b. Paid to Non-Affiliates		
6.	Other Operating Expenses	<u>See notes page</u>	
	<b>Total Operating Expenses</b>	<b>\$ 701,576</b>	<b>\$ 1,403,153</b>
E.	<b>Earnings Before Interest, Taxes, and Depreciation</b>	<b>\$ 325,707</b>	<b>\$ 651,413</b>
F.	Non-Operating Expenses		
1.	Taxes	\$ 111,837	\$ 223,674
2.	Depreciation	2,972	5,944
3.	Interest	3,685	7,370
4.	Other Non-Operating Expenses		
	<b>Total Non-Operating Expenses</b>	<b>\$ 118,494</b>	<b>\$ 236,987</b>
	<b>NET INCOME (LOSS)</b>	<b>\$ 207,213</b>	<b>\$ 414,426</b>

Chart Continues Onto Next Page

	Year 2019	Year 2020
NET INCOME (LOSS)	\$ 207,213	\$ 414,426
G. Other Deductions		
1. Annual Principal Debt Repayment	\$	\$
2. Annual Capital Expenditure		
Total Other Deductions	\$ 0	\$ 0
NET BALANCE	\$ 207,213	\$ 414,426
DEPRECIATION	\$	\$
FREE CASH FLOW (Net Balance + Depreciation)	\$ 207,213	\$ 414,426

☐ TOTAL FACILITY  
☒ PROJECT ONLY

### PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2019	Year 2020
1. SG&A	\$ 13,605	\$ 27,210
2. Regional Support	14,106	28,212
3. Corporate Support	61,695	123,390
4.		
5.		
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14.		
15.		
Total Other Expenses	\$ 89,406	\$ 178,812

X TOTAL FACILITY

O PROJECT ONLY

### PROJECTED DATA CHART - NASHVILLE WITH PROJECT INCLUDED

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2019 (Year One)	Year 2020 (Year Two)
A.	Utilization Data		
	(Specify unit or measure)		
	PATIENTS	311	365
	HOURS	864,864	1,004,640
	VISITS	2,184	3,120
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 23,619,435	\$ 27,436,718
2.	Outpatient Services		
3.	Emergency Services		
4.	Other Operating Revenue		
	(Specify) See notes page		
	Gross Operating Revenue	\$ 23,619,435	\$ 27,436,718
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$	\$
2.	Provision for Charity Care		
3.	Provisions for Bad Debt	150,715	175,073
	Total Deductions	\$ 150,715	\$ 175,073
	NET OPERATING REVENUE	\$ 23,468,720	\$ 27,261,645
D.	Operating Expenses		
1.	Salaries and Wages	\$ 15,939,335	\$ 18,515,390
	a. Clinical		
	b. Non-Clinical		
2.	Physicians Salaries and Wages		
3.	Supplies	88,478	102,777
4.	Rent	413,663	424,014
	a. Paid to Affiliates		
	b. Paid to Non-Affiliates		
5.	Management Fees		
	a. Paid to Affiliates		
	b. Paid to Non-Affiliates		
6.	Other Operating Expenses	See notes page	
	Total Operating Expenses	\$ 16,441,476	\$ 19,042,181
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 7,027,244	\$ 8,219,464
F.	Non-Operating Expenses		
1.	Taxes	\$ 2,554,962	\$ 2,967,886
2.	Depreciation	67,892	78,864
3.	Interest	84,183	97,788
4.	Other Non-Operating Expenses		
	Total Non-Operating Expenses	\$ 2,707,037	\$ 3,144,538
	NET INCOME (LOSS)	\$ 4,320,207	\$ 5,074,926

Chart Continues Onto Next Page

	Year 2019	Year 2020
NET INCOME (LOSS)	\$ 4,320,207	\$ 5,074,926
G. Other Deductions		
1. Annual Principal Debt Repayment	\$	\$
2. Annual Capital Expenditure		
Total Other Deductions	\$ 0	\$ 0
NET BALANCE	\$ 4,320,207	\$ 5,074,926
DEPRECIATION	\$	\$
FREE CASH FLOW (Net Balance + Depreciation)	\$ 4,320,207	\$ 5,074,926

X TOTAL FACILITY  
O PROJECT ONLY

### PROJECTED DATA CHART – OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2019	Year 2020
1. SG&A	\$ 310,811	\$ 361,043
2. Regional Support	322,258	374,340
3. Corporate Support	1,409,446	1,637,236
4.		
5.		
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15.		
Total Other Expenses	\$ 2,042,515	\$ 2,372,619

**5.A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.**

<b>Table Economic Feasibility : Maxim Healthcare Services (Middle Tennessee) Average Charges per Visit and Per Hour</b>					
	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
<b>Gross Charge -- Gross Operating Revenue / PATIENT &amp; VISIT</b>	NA	NA	\$57,438/patient \$85/visit	\$57,438/patient \$85/visit	0%
<b>Deduction from Revenue - -Total Deductions / PATIENT &amp; VISIT</b>	NA	NA	\$366.50/patient \$7.05/visit	\$366.50/patient \$7.05/visit	0%
<b>Average Net Charge -- Net Operating Revenue / PATIENT &amp; VISIT</b>	NA	NA	\$57,071/patient \$1097.52/visit	\$57,071/patient \$1097.52/visit	0%

**B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.**

<b>Table Economic Feasibility 5B: Maxim Healthcare Services (Middle Tennessee) Average Charges per Visit and Per Hour</b>			
Average Charge Per Visit		Average Charge Per Hour	
Skilled Nursing	Aide	Skilled Nursing	Aide
\$85.00	\$0	\$37.00	\$20.00

The revenue from the project is set forth in its Projected Data Chart in a prior section of the application. The addition of the counties involves no capital expenditures that will create debt service; and sufficient new revenues will be generated to offset the addition of clinical FTE's to provide homecare services.

**C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).**

<b>Table ____ : Cost &amp; Charge Comparisons With Service Area Agencies That Provide Similar Services</b>								
Agency*	Cost Per Visit		Charge Per Visit		Cost Per Hour		Charge Per Hour	
	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide
1	NR	NR	\$79	\$40	No JAR data is reported for this.		\$35	\$22
2	NR	NR	\$101	\$46			\$80	\$35
3	NR	NR	\$150	\$75			\$40	\$30
4	NR	NR	NR	NR			\$40	\$23
							NR	NR
Maxim State Average 2017	jjjj							
2018 Medicare Reimb'mt								
Maxim Proposed Agency 2019								

*Source: 2017 Joint Annual Reports; Maxim management.*

*\*Key to Agencies:*

1. Elk Valley Health Services
2. CareAll
3. Quality First
4. Maury Regional

<b>Table ____ : Cost Per Visit and Per Patient</b>		
	Year One--2019	Year Two--2020
Patients	18	36
Total Visits	936	1,870
<b>Skilled Nursing Visits (80%)</b>	936	1870
Cost per Skilled Visit	\$57.72	\$57.72
Total Cost, Skilled Visits	\$54,021	\$108,043
<b>Home Health Aide Visits (20%)</b>	n/a	n/a
Cost per HH Aide Visit	n/a	n/a
Total Cost, Aide Visits	n/a	n/a
<b>Total Cost, RN and Aide Visits</b>	\$701,576	\$1,403,153
<b>Total Cost Per Patient</b>	\$38,976	\$38,976

*Source: Maxim management.*

**6.A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.**

Staffing can be flexed up or down to meet fluctuating demand for care. So at any level of utilization, this proposed expansion of service area will not cause operating losses. The agency has a positive cash flow currently, and the addition of new service area counties will not adversely impact that. The project will be financially viable from the outset.

**Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project.**

**Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.**

See Attachment Section B-Economic Feasibility-6A. Maxim's local agency does not prepare balance sheets; balance sheets are produced at the company's home office and do not pertain to individual agencies. The attachment includes the local agency's income statement, and audited financial statements for the parent company.

**B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).**

**Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:**

	2 <sup>nd</sup> Yr Previous to Current Yr	1 <sup>st</sup> Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	30.20%	30.66%	30%	29.94%	30.15%

**C. Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100).**

**For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.**

7. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Projected Payor Mix, Year 1		
Payor Source	Projected Gross Operating Revenue	As a Percent of Total Revenue
Medicare/Medicare Managed Care	\$	0%
TennCare/Medicaid	\$909,814	88%
Commercial/Other Managed Care	\$124,066	12%
Self-Pay	\$0	0%
Charity Care	\$0	0%
Other	\$0	0%
Total	\$1,033,880	100%

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

See the staffing table on the following page.

Table Economic Feasibility-8: Maxim Healthcare Services--Middle Tennessee Current and Projected Staffing					
Position Classification	Existing FTEs (Yr 2017)	Projected FTEs (Yr 1)	Average Wage (Contractual Rate)	Statewide Mean Wage	
<b>A. Direct Patient Care Positions</b>					
Home Health Aide	11.00	13.0	\$20,000-\$23,000		\$20,660
Licensed Practical Nurse	160.00	172.0	\$37,000-\$42,000		\$37,920
Registered Nurse	2.00	5.0	\$42,000-\$56,000		\$58,410
<b>Total Direct Patient Care Positions</b>	173.00	190.00			
<b>B. Non-Patient Care Positions</b>					
Director Of Business Operations	1.00	1.0	\$80,000-\$85,000		not available
Director Of Clinical Operations	1.00	1.0	\$80,000 - \$85,000		not available
RN Clinical Manager	1.00	1.0	\$60,000-\$65,000		not available
Business Development Manager	2.00	2.0	\$50,000 - \$55,000		not available
Recruiter	6.00	6.0	\$38,000-\$40,000		not available
RN Clinical Supervisor	6.00	6.0	\$50,000-\$53,000		not available
Field Support Manager	1.00	1.0	\$47,500 - \$50,000		not available
Personnel Coordinator	2.00	2.0	\$27,000-\$30,000		not available
Payroll Clerk	2.00	2.0	\$27,000-\$30,000		not available
<b>Total Non-Patient Care Positions</b>	22.00	22.00			
<b>Total Employees (A + B)</b>	195.00	212.00			
<b>C. Contractual Staff</b>					
<b>Total Staff (A+B+C)</b>	195.00	212.00			

Source: Maxim management.

**9. Describe all alternatives to this project that were considered and discuss the advantages and disadvantages of each alternative, including but not limited to:**

**A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.**

The project addresses a need for more access to highly qualified and responsive home care for children and TennCare patients in a rural area of Tennessee. The applicant knows of no better alternative to the one proposed in this application. It is an addition to an established agency with an excellent record of service. It is supported by Middle Tennessee physicians and nurse practitioners who work daily with challenges of finding the most appropriate home care for very fragile and vulnerable children being discharged from the hospital.

**B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.**

No new construction is required in this project.

## **CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE**

**1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as transfer agreements or contractual agreements for health services.**

The applicant employs two full-time professionals to visit and to communicate continuously with primary care physicians, medical specialists, discharge planners at hospitals, and referral care coordinators throughout its service area. Maxim also is contacted occasionally by the Department of Children's Services.

**2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

### **A. Positive Effects**

The addition of Maxim as another choice for pediatric patients and their families will be beneficial to patient care. Currently there are 72 pediatric patients a year obtaining care from ten agencies in this area; but most of those providers do not care for more than a few such children a year (many see only one). Maxim brings a focus and a degree of training and expertise that will strengthen consumer confidence and options. This confidence is stated in the letters submitted from supporting health professionals affiliated with Children's Hospital at Vanderbilt and the Saint Thomas Rutherford Hospital and medical staff members.

### **B. Negative Effects**

Homecare agencies operating in these seven counties served almost 9,910 residents of the area last year. It is unlikely that a specialized program like Maxim's, with only 36 patients in its second year of operation, could have any significant adverse effect on existing providers as a whole--especially since Maxim does not compete with other agencies for the Medicare patient.

Thirty-six Maxim patients would be less than one-half of 1% of the patients served in the area last year. Only ten of the 46 agencies in the area even served pediatric cases last year, serving only 72 in total. Seven of those ten agencies served only 1-6 pediatric patients, who amounted to only 0.2% to 1% of their Statewide total patients. Three of the ten served 10-22 pediatric patients, who amounted to only 0.65% to 3.21% of their Statewide total patients.

**3.A Discuss the availability of an accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies such as the Joint Commission and the Commission on Accreditation of Rehabilitation Facilities.**

Maxim is a well-established home health provider in all of Tennessee's largest urban areas, and is very familiar with requirements of the State and of its accrediting organization.

The kind of homecare that Maxim provides generates many annual hours of care by skilled nurses and aides. Maxim will be recruiting the equivalent of only 17 full time employees more than are already on staff. Having been successful in implementing five fully-staffed agencies across Tennessee in the past decade, Maxim feels confident that it can recruit the additional personnel needed for this project.

**B. Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.**

The applicant so verifies.

**C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).**

The applicant does not provide training rotations for nurses and aides in patients' homes.

**4. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.**

**Licensure:** Home Health Agency license from the Tennessee Board for Licensing Health Care Facilities

**Certification Type :** Medicare and Medicaid certification

**Accreditation:** Accreditation Commission for Health Care

**A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.**

The applicant is licensed in good standing with the Tennessee Department of Health, certified to participate in both Medicare and TennCare/Medicaid, and fully accredited nationally by the Accreditation Commission for Health Care.

**B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.**

See Attachment Section B-Orderly Development-4B.

**C. Document and explain inspections within the past three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23- ore 90-day termination proceedings from Medicare or Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.**

**(1) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.**

Please see responses below.

**5. Respond to all of the following and for such occurrences, identify, explain, and provide documentation:**

**A. Has any of the following:**

**(1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);**

**(2) Any entity in which any person(s) or entity with more than 5% ownership (direct of indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or**

**(3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%...**

**B. Been subjected to any of the following:**

**(1) Final Order or Judgment in a State licensure action;**

None.

**(2) Criminal fines in cases involving a Federal or State health care offense;**

None to Maxim's knowledge.

**(3) Civil monetary penalties in cases involving a Federal or State health care offense;**

See Response to no. (4), below.

**(4) Administrative monetary penalties in cases involving a Federal or State health care offense;**

In answer to both nos. (3) and (4): Concord, California (\$61,000) following an immediate jeopardy citation; and Colorado Springs, Colorado (\$77,169.30) following an immediate jeopardy citation. Both offices are now back in substantial compliance. Also, Maxim failed to timely renew its license in South Bend, Indiana resulting in a fine of \$2,000.

**(5) Agreement to pay civil or monetary penalties to the Federal government or any State in cases involving claims related to the provision of health care items and services; and/or**

None.

**(6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs;**

None.

**(7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware;**

(a) MassHealth Self-Disclosure (October 2017): \$14 million concerning misinterpretation of billing regulation; (b) New York VNA Self-Disclosure (February 2018) concerning billing without complete frequency and duration orders; (3) Columbus, Georgia Self-Disclosure (December 2017) concerning falsification of physician's signatures and not following program-specific requirement; (4) Cincinnati, Ohio billing inquiry (August 2017); and (5) Homeland Security whistleblower subpoena for alleged retaliatory discharge (July 2017).

In addition, due to the diverse nature and geographic extent of its business, Maxim has been named in numerous civil litigation matters involving professional negligence claims and employment. Many of these claims are baseless or result in minor exposure of liability and Maxim has never exceeded its yearly aggregate professional liability insurance limits. Maxim has been named as a defendant in Tennessee in the following civil action in the past year: Moore, Juanita (deceased) v. Maxim Healthcare Services, Inc., et al., Dkt. No. 17C1369, Circuit Court of Hamilton County, Tennessee (medical malpractice action).

**( 8) Is presently subject to a corporate integrity agreement.**

No.

**6. Outstanding Projects:**

- a. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and**  
**b. Provide a brief description of the current progress, and status of each applicable outstanding CON.**

Not applicable; Maxim has no outstanding Certificates of Need in Tennessee.

Outstanding Projects					
			Annual Progress Report*		
CON Number	Project Name	Date Approved	Due Date	Date Filed	Expiration Date

**7. Equipment Registry -- For the applicant and all entities in common ownership with the applicant.**

**a. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography Scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?**

No.

**b. If yes, have you submitted their registration to HSDA? If you have, what was the date of the submission?**

**c. If yes, have you submitted their utilization to HSDA? If you have, what was the date of the submission?**

Facility	Date of HSDA Registration	Date of Last Utilization Submittal

**QUALITY MEASURES**

**Please verify that the applicant will report annually using forms prescribed by the Agency, concerning continued need and appropriate quality measures as determined by the Agency pertaining to the Certificate of Need, if approved.**

The applicant so verifies.

## **SECTION C: STATE HEALTH PLAN QUESTIONS**

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning> ). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

**1. The purpose of the State Health Plan is to improve the health of the people of Tennessee.**

The timely provision of appropriate, clinically expert services to home health patients, especially to pediatric patients, is essential to support an uninterrupted continuum of care and to avoid patient deterioration and/or re-hospitalization. This project will enhance the care of complex patients, both adult and pediatrics, and afford another option for area residents who sometimes experience lack of timely care for certain type of patients with complex conditions.

**2. People in Tennessee should have access to health care and the conditions to achieve optimal health.**

The availability of this highly specialized home health provider in the service area will improve patient access to needed home care. The perceptions of local physicians and nurses who work with patient access issues constantly should be given maximum consideration; they are clearly stated in their support letters.

**3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.**

The project will bring to the service area a needed new option for the care of complex cases, both pediatric and adult cases. This project provides broader access for TennCare patients as well as for complex pediatric patients, which very few of the currently authorized agencies do.

**4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.**

All of Maxim's Tennessee agencies are licensed, in conformity with licensure criteria, and accredited. The company has a strong quality assurance program, as well as rigorous training programs for Maxim nurses to ensure that their skills (for example, for pediatric and ventilator care patients) are superior.

To support Maxim's mission to continuously improve care and service delivery, its Quality Improvement Program provides a framework for strategies and initiatives that integrate and improve organizational performance, patient and staff safety, and the satisfaction of persons served. The Quality Improvement Program is implemented across the company, to provide a systematic, standardized process for designing, implementing, analyzing, and measuring quality improvement initiatives.

Incident Report Management is a component of the Quality Improvement Program that is designed to identify all actual or potential occurrences that have an impact on the patient, the patient's family or employees. The Incident Report is a mechanism to identify actual or potential risks that must be reduced, if not eliminated, to ensure patient safety.

All incidents are reviewed by the Quality Improvement (QI) Team and are aggregated quarterly. Recommendations may then be made to reduce the risk of subsequent incidents. Office leadership teams develop and implement quality improvement action plans, and monitor the effectiveness of implemented actions.

**5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.**

Maxim offers employees tuition subsidies for pursuing advanced degrees in this field and attaining academic benchmarks in those courses.

It also provides specialized training to its staffs to improve their skills. An example is Maxim's nationwide ventilator training and management program--critical because a majority of Maxim's ventilator dependent and tracheostomy patients are children and adolescents.

Nurses train under experienced nurses, respiratory therapists, and respiratory DME (durable medical equipment) providers. Training covers care of a patient with a tracheotomy, care of the ventilated patient, performance of respiratory/cardiopulmonary physical assessments, ventilator equipment types and their components, ventilator settings, troubleshooting of equipment, emergency response, and the transport of ventilators. After training, these nurses work in the field with an experienced and competent ventilator nurse before being allowed to work independently.

## **PROOF OF PUBLICATION**

**Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.**

**An affidavit and copy of the relevant newspapers are in the application.**

## **NOTIFICATION REQUIREMENTS**

**(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)**

**Note that T.C.A. §68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member(s) of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."**

**Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.**

**Please provide documentation of these notifications.**

**See Attachment "Proof of Publication".**

## DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the “good cause” for such an extension.

The applicant does not request an extended period of validity.

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Initial HSDA Decision Date	0	6/27/18
1. Architectural & engineering contract signed		
2. Construction documents approved by TDH		
3. Construction contract signed		
4. Building permit secured		
5. Site preparation completed		
6. Building construction commenced		
7. Construction 40% complete		
8. Construction 80% complete		
9. Construction 100% complete		
10. * Issuance of license		
11. *Initiation of service	180	On or before 1/1/19
12. Final architectural certification of payment	na	na
13. Final Project Report Form (HF0055)	210	3/1/18

\* For projects that **DO NOT** involve construction or renovation: please complete items 11-12 only.

**Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.**

**AFFIDAVIT**

STATE OF TENNESSEE

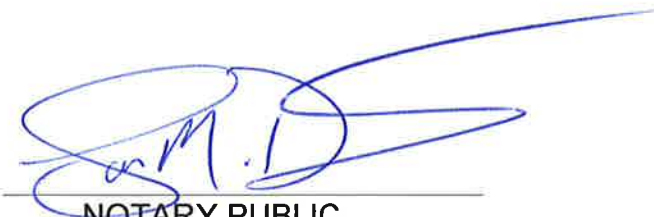
COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

  
SIGNATURE/TITLE  
CONSULTANT

Sworn to and subscribed before me this 14<sup>th</sup> day of March, 2018 a Notary  
(Month) (Year)

Public in and for the County/State of DAVIDSON

  
NOTARY PUBLIC

My commission expires July 2, 2018.  
(Month/Day) (Year)



## **INDEX OF ATTACHMENTS**

### **Section A**

A-4A	Legal Status and Ownership Structure of Applicant
A-6A	Site Control Documentation

### **Section B**

B-Need-3	Service Area Map
B-Economic Feasibility-2	Documentation of Funding/Financing Availability
B-Economic Feasibility-6A	Applicant's Financial Statements
B-Orderly Development-4B	Licensure and Accreditation Findings and Corrections

### **Other Attachments**

Proof of Publication

Support Letters

**A-4A**  
**Legal Status and Ownership Structure**  
**of Applicant**



Tennessee  
Secretary of  
State  
Tre Hargett

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Business Services Online > Find and Update a Business Record

## Business Information Search

As of March 13, 2018 we have processed all corporate filings received in our office through March 12, 2018 and all annual reports received in our office through March 12, 2018.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search: 1-1 of 1

Search Name:  [Starts With](#) [Contains](#)

Control #:

Active Entities Only:

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000332709</u>	CORP	MAXIM HEALTHCARE SERVICES, INC. MARYLAND	Entity	Active	06/16/1997	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database,  
the full database can be downloaded for a fee by [Clicking Here](#).

[Click Here](#) for information on the Business Services Online Search logic.

Division of Business Services  
312 Rosa L. Parks Avenue, Snodgrass Tower, 6th  
Floor  
Nashville, TN 37243  
615-741-2286  
8:00 a.m. until 4:30 p.m. (Central) Monday - Friday.  
[Directions](#) | [State Holidays](#) | [Methods of Payment](#)

Business Filings and Information (615) 741-2286 | [TNSOS.CORPINFO@tn.gov](mailto:TNSOS.CORPINFO@tn.gov)  
Certified Copies and Certificate of Existence (615) 741-6488 | [TNSOS.CERT@tn.gov](mailto:TNSOS.CERT@tn.gov)  
Motor Vehicle Temporary Liens (615) 741-0529 | [TNSOS.MVTL@tn.gov](mailto:TNSOS.MVTL@tn.gov)  
Notary Commissions (615) 741-3699 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)  
Uniform Commercial Code (UCC) (615) 741-3276 | [TNSOS.UCC@tn.gov](mailto:TNSOS.UCC@tn.gov)  
Workers' Compensation Exemption Registrations (615) 741-0526 | [TNSOS.WCER@tn.gov](mailto:TNSOS.WCER@tn.gov)  
Apostilles & Authentications (615) 741-0536 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)  
Summons (615) 741-1799 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)  
Trademarks (615) 741-0531 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)  
Nonresident Fiduciaries (615) 741-0536 | [TNSOS.ATS@tn.gov](mailto:TNSOS.ATS@tn.gov)

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## MAXIM HEALTHCARE SERVICES, INC.

### I. THE APPLICANT

The applicant is Maxim Healthcare Services, Inc., whose home office is at 7227 Lee DeForest Drive, Columbia, MD 21046. The applicant's stockholders with 5% or greater ownership interests are listed on the following page.

### II. TENNESSEE HOME HEALTH AGENCIES LICENSED TO MAXIM

Maxim Healthcare Services, Inc. of Columbia, Maryland holds five Tennessee Home Health Agency licenses for five Principal Offices licensed for 47 counties. The State management team consists of a Regional Director of Clinical Services and a Regional Accounts Manager, who supervise all five local agencies. Each of the five Principal Offices is managed by an Accounts Manager and a Director of Clinical Services. Their local staffs include clinical supervisors, human resource coordinators, healthcare recruiters, and caregiving staff.

Maxim's five Tennessee home health agencies and their licensed counties are listed below. The home county of each agency is underlined.

Maxim Healthcare Services, Inc. (State ID 79536)

1255 Lynfield Road, Suite 295

Memphis, TN 38119-4701

Counties (6): Fayette, Hardeman, Haywood, Madison, Shelby, Tipton

Maxim Healthcare Services, Inc. (State ID 19704)

115 East Park Drive, Suite 200

Brentwood, TN 37027

Counties (9): Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, Wilson

Maxim Healthcare Services, Inc. (State ID 33433)

6142 Shallowford Road, Suite 103

Chattanooga, TN 37421

Counties (8): Bradley, Grundy, Hamilton, Marion, McMinn, Meigs, Rhea, Sequatchie

Maxim Healthcare Services, Inc. (State ID 47432)

7417 Kingston Pike, Suite 105

Knoxville, TN 37919

Counties (18): Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Greene,  
Hamblen, Hancock, Hawkins, Jefferson, Knox, Loudon, Morgan, Roane,  
Scott, Sevier, Union

Maxim Healthcare Services, Inc. (State ID 90141)

208 Sunset Drive, Suite 503

Johnson City, TN 37604

Counties (5): Carter, Johnson, Sullivan, Unicoi, Washington

(Tyler Jones 423-636-8331)

#### Maxim Healthcare Services, Inc. Ownership Information

Oak Investment Trust	39.8860%
100 North Tampa St.	
Suite 2700	
Tampa, FL 33602	

Oak Investment Trust II	39.3542%
100 North Tampa St.	
Suite 2700	
Tampa, FL 33602	

Stephen Bisciotti	19.9430%
7301 Parkway Dr.	
Hanover, MD 21076	

#### **Minority Stockholders:**

William Butz	0.8168%
7227 Lee DeForest Dr.	
Columbia, MD 21046	

<b>Name of HHA (license #)</b>	<b>Location of parent office (county)</b>	<b>Location of branch offices</b>	<b>Counties covered in license</b>	<b>Medicare Provider #</b>	<b>Medicaid/TN Care Provider #</b>	<b>Services (specify any limitations from CON)</b>
Maxim Healthcare Services, Inc. (#615)	Brentwood (Williamson)	Clarksville (Montgomery)	9	44-7580	NV-5441953 CV-1515485	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Maxim Healthcare Services, Inc. (#2)	Knoxville (Knox)	Lafollette (Campbell) Greeneville (Greene)	18	44-7579	KV-5441956 GV-1513175 LaF-1515484	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Maxim Healthcare Services, Inc. (#613)	Chattanooga (Hamilton)	None	8	44-7571	5441954	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Maxim Healthcare Services, Inc. (#618)	Memphis (Shelby)	Jackson (Madison)	6	44-7582	M-5441955 JS-447582	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.
Maxim Healthcare Services, Inc. (#618)	Johnson City (Washington)	None	5	44-7586	Q021685	All HH services without limitation. Primary focus is PDN Skilled care, Commercial Intermittent visits.

# Board for Licensing Health Care Facilities



State of

Tennessee

License No. 00000000615

## DEPARTMENT OF HEALTH

*This is to certify, that a license is hereby granted by the State Department of Health to*

*to conduct and maintain a*

MAXIM HEALTHCARE SERVICES, INC.

Home Care Organization

MAXIM HEALTHCARE SERVICES, INC.

Located at 115 EAST PARK DRIVE, SUITE 200, BRENTWOOD

County of WILLIAMSON

, Tennessee.

*This license shall expire* OCTOBER 11, 2018, *and is subject*

*to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

*In Witness Whereof, we have hereunto set our hand and seal of the State this 23RD day of* OCTOBER, 2017.

*In the District Category(ies) of:*

SKILLED NURSING  
HOME HEALTH AID SERVICES  
HOMEMAKERS SERVICES



By James J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By James J. Davis, MPH

COMMISSIONER

# CERTIFICATE of ACCREDITATION



ACCREDITATION COMMISSION FOR HEALTH CARE CERTIFIES THAT:

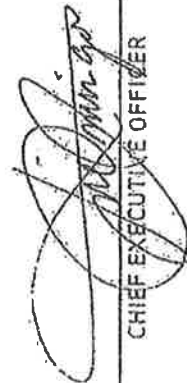
*Maxim Healthcare Services, Inc.*  
BRENTWOOD, TENNESSEE

HAS DEMONSTRATED A COMMITMENT TO PROVIDING QUALITY CARE AND SERVICES TO CONSUMERS  
THROUGH COMPLIANCE WITH ACHC'S NATIONALLY RECOGNIZED STANDARDS FOR  
ACCREDITATION AND IS THEREFORE GRANTED ACCREDITATION FOR THE FOLLOWING:

HOME HEALTH

FROM *March 5, 2017* THROUGH *March 5, 2020*



  
CHIEF EXECUTIVE OFFICER

  
CHAIRMAN OF THE BOARD OF COMMISSIONERS

DB

MAXIM HEALTHCARE SERVICES, INC.

**ARTICLES OF AMENDMENT AND RESTATEMENT**

**FIRST:** MAXIM Healthcare Services, Inc., a Maryland corporation (the "Corporation"), desires to amend and restate its charter (the "Charter") as currently in effect and as hereinafter amended.

**SECOND:** The following provisions are all of the provisions of the Charter currently in effect and as hereinafter amended:

**ARTICLE I**

**NAME**

The name of the corporation (the "Corporation") is:

MAXIM Healthcare Services, Inc.

CUST ID:0001893485  
WORK ORDER:0001336523  
DATE:12-27-2005 11:54 AM  
AMT. PAID:\$155.00

**ARTICLE II**

**PURPOSE**

The purposes for which the Corporation is formed are to engage in any lawful act or activity for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force. The foregoing enumerated purposes and objects shall be in no way limited or restricted by reference to, or inference from, the terms of any other clause of this or any other article of the Charter of the Corporation and each shall be regarded as independent; and they are intended to be and shall be construed as powers as well as purposes and objects of the Corporation and shall be in addition to and not in limitation of the general powers of corporations under the General Laws of the State of Maryland.

**ARTICLE III**

**PRINCIPAL OFFICE IN STATE AND RESIDENT AGENT**

The address of the principal office of the Corporation in the State of Maryland is 7227 Lee Deforest Drive, Columbia, Maryland 21046. The name of the resident agent of the

Corporation in the State of Maryland is Stuart L. Soberman, whose address is 7227 Lee Deforest Drive, Columbia, Maryland 21046. ✓

#### ARTICLE IV

##### PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 4.1 Number of Directors. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors of the Corporation is currently three, which number may be increased or decreased pursuant to the Bylaws of the Corporation (the "Bylaws"), but shall never be less than the minimum number required by the Maryland General Corporation Law or any successor statute (the "MGCL"). The names of the directors currently in office are:

James C. Davis;

Stephen J. Bisciotti; and

John T. Carey.

Section 4.2 Extraordinary Actions; Action by Stockholder Consent. Notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter. The holders of shares of stock entitled to vote may take action or consent to any action by delivering a consent in writing or by electronic transmission of holders of shares entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a stockholders meeting if the Corporation gives notice of the action to each holder of shares of stock entitled to vote not later than 10 days after the effective date of the action.

Section 4.3 Authorization by Board of Stock Issuance. The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the Charter or the Bylaws.

Section 4.4 Preemptive Rights. Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 5.2 or as may otherwise be provided by contract, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell.

Section 4.5 Indemnification. The Corporation shall, to the maximum extent permitted by Maryland law in effect from time to time, indemnify and pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (a) any individual who is a present or former director or officer of the Corporation or (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his status as a present or former director or officer of the Corporation. The Corporation shall have the power, with the approval of the Board of Directors, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation. The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person for any

such expenses to the fullest extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Corporation may be entitled under any agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 4.6 Determinations by Board. The determination as to any of the following matters, made in good faith by or pursuant to the direction of the Board of Directors consistent with the Charter and in the absence of actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a court, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, annual or other net profit, cash flow, funds from operations, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); any interpretation of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or distributions, qualifications or terms or conditions of redemption of any class or series of stock of the Corporation; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or any shares of stock of the Corporation; the number of shares of any class or series of stock of the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; or any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the Charter, the Bylaws or otherwise to be determined by the Board of Directors.

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## ARTICLE V

### STOCK

Section 5.1 Authorized Shares. The Corporation has authority to issue 10,000,000 shares of capital stock, \$.001 par value per share, all of one class. The aggregate par value of all authorized shares of stock having par value is Ten Thousand Dollars (\$10,000). To the extent permitted by Maryland law, the Board of Directors, without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue. The Board of Directors may reclassify any unissued shares of stock from time to time in one or more classes or series of stock.

Section 5.2 Classified or Reclassified Shares. Prior to issuance of classified or reclassified shares of any class or series, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions (including, without limitation, restrictions on transferability), limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the State Department of Assessments and Taxation of Maryland (the "SDAT"). Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 5.2 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary filed with the SDAT.

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Section 5.3 Charter and Bylaws. All persons who shall acquire stock in the Corporation shall acquire the same subject to the provisions of the Charter and the Bylaws.

**ARTICLE VI  
AMENDMENTS**

The Corporation reserves the right from time to time to make any amendment to the Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation.

**ARTICLE VII  
LIMITATION OF LIABILITY**

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article VII, nor the adoption or amendment of any other provision of the Charter or Bylaws inconsistent with this Article VII, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

\*\*\*\*\*

THIRD: The amendment to and restatement of the Charter as hereinabove set forth have been duly advised by the Board of Directors and approved by the stockholders of the Corporation as required by law.

FOURTH: The current address of the principal office of the Corporation is as set forth in Article III of the foregoing amendment and restatement of the Charter.

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FIFTH: The name and address of the Corporation's current resident agent is as set forth in Article III of the foregoing amendment and restatement of the Charter.

SIXTH: The number of directors of the Corporation and the names of those currently in office are as set forth in Article IV of the foregoing amendment and restatement of the Charter.


SEVENTH: The total number of shares of stock which the Corporation had authority to issue immediately prior to this amendment and restatement was 10,000,000 shares of capital stock, \$.001 par value per share, all of one class. The aggregate par value of all shares of stock having par value was \$10,000.

EIGHTH: The total number of shares of stock which the Corporation has authority to issue pursuant to the foregoing amendment and restatement of the Charter is 10,000,000 shares of capital stock, \$.001 par value per share, all of one class. The aggregate par value of all authorized shares of stock having par value is \$10,000.

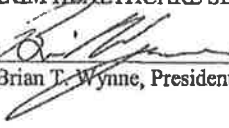
NINTH: The undersigned President acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its President and attested to by its Secretary on this \_\_ day of December, 2006.


ATTEST:

  
David C. Franchak, Secretary

MAXIM HEALTHCARE SERVICES, INC.

By:  (SEAL)  
Brian T. Wynne, President

I, Stuart L. Soberman, consent to act as resident agent in Maryland for MAXIM Healthcare Services, Inc. as set forth in these Articles of Amendment and Restatement.

  
Stuart L. Soberman

# CORPORATE CHARTER APPROVAL SHEET

**\*\*EXPEDITED SERVICE\*\***

**\*\* KEEP WITH DOCUMENT \*\***

DOCUMENT CODE

BUSINESS CODE

13  
002629145

03



1000361994095200

Close \_\_\_\_\_ Stock \_\_\_\_\_ Nonstock \_\_\_\_\_

P.A. \_\_\_\_\_ Religious \_\_\_\_\_

Merging (Transferor) \_\_\_\_\_

Surviving (Transferee) \_\_\_\_\_

ID # 002629145 ACK # 1000361994095200  
LIBER: 001051 FOLIO: 0358 PAGES: 0009  
MAXIM HEALTHCARE SERVICES, INC.

MAIL  
BACK

12/27/2006 AT 11:54 A WO # 0001336523

New Name \_\_\_\_\_

## FEES REMITTED

Base Fee:

Org. & Cap. Fee:

Expedite Fee:

Penalty:

State Recordation Tax:

State Transfer Tax:

Certified Copies

Copy Fee:

Certificates

Certificate of Status Fee:

Personal Property Filings:

Mail Processing Fee:

Other:

TOTAL FEES:

Change of Name

Change of Principal Office

Change of Resident Agent

Change of Resident Agent Address

Resignation of Resident Agent

Designation of Resident Agent

and Resident Agent's Address

Change of Business Code

Adoption of Assumed Name

Other Change(s)

Credit Card

Check ☒

Cash

Code

Documents on

Checks

Attention:

Approved By:

Keyed By:

COMMENT(S):

Mail: Name and Address

ALLSGLS GROUP

7301 PALLWAY DR.

HANOVER MD. 21076

Stamp Work Order and Customer Number HERE

CUST ID: 0001893485  
WORK ORDER: 0001336523  
DATE: 12-27-2006 11:54 AM  
AMT. PAID: \$155.00

## **A.6A**

### **Site Control Documentation**

**OFFICE LEASE**

**MARYLAND PARK CENTER  
115 EAST PARK DRIVE  
BRENTWOOD, TENNESSEE**

**Landlord:** Sun Life Assurance Company of Canada

**Tenant:** Maxim Healthcare Services, Inc.

**Date:** February <sup>19</sup>~~21~~ 2016

This Lease consists of four parts:

Part I	Cover Sheet
Part II	Standard Lease Provisions
Part III	Additional Provisions (if any) and
Part IV	Exhibits

EXHIBIT A - Floor Plan of Premises  
EXHIBIT B - Tenant Improvements  
EXHIBIT C - Rules and Regulations  
EXHIBIT D - Sample Lockbox  
EXHIBIT E- Notice of Lease Term Dates  
EXHIBIT F - Exclusions from Operating Expenses

**PART I**

**COVER SHEET**

The terms listed below shall have the following meanings throughout this Lease:

**DATE OF LEASE:** February 29, 2016, the date on which Landlord has signed this Lease

**LANDLORD:** Sun Life Assurance Company of Canada, a Canadian corporation

**TENANT:** Maxim Healthcare Services, Inc., a Maryland corporation

**TENANT'S ADDRESS:** 7227 Lee Deforest Drive  
Columbia, MD 21046  
Attn: Real Estate Dept. (#0007)

**MANAGER:** Avison Young

**MANAGER'S ADDRESS:** 5106 Maryland Way  
Brentwood, TN, 37027  
Attention: Property Manager

**ADDRESS FOR RENTAL PAYMENTS:** Same as Manager's Address above

**PREMISES:** The area consisting of approximately 14,871 rentable square feet of the Building known as Suite 200 (entire second floor), as shown on **Exhibit A** attached hereto

**BUILDING:** The building and associated land in which the Premises are located, known as Maryland Park Center, with a street address of 115 East Park Drive, Brentwood, Tennessee 37027, and consisting of a total of approximately 43,696 square feet of space

**PROPERTY:** The Building, other improvements and land

**TENANT'S PERCENTAGE:** 34.03% (14,871 rentable square feet in the Premises divided by 43,696 rentable square feet in the Building)

**PERMITTED USES:** General office use, including sales, medical administration, and employee and staffing services.

In addition, Tenant may provide medical-related training (such as CPR training) on-site to its employees and/or contractors; store and dispose of medical supplies (in accordance with all applicable rules and laws); maintain client medical records on site; and perform client assessment and consultations in the Premises. Landlord agrees that general office use of the Premises is permitted by the certificate of occupancy that is issued for the Property, Building and Premises and by all applicable laws, ordinances and regulations and that general office use will not violate any restrictions imposed upon the Property, Building or Premises by deed or otherwise. No call center or other high volume business may be operated in the Premises.

**TENANT IMPROVEMENTS:** See **Exhibit B** attached hereto

**SCHEDULED COMMENCEMENT DATE:** June 1, 2016 (see Section 2.1)

**TERM:** Eighty four (84) full calendar months

**BASE RENT:** Tenant shall pay Base Rent for the Premises in accordance with the following schedule (plus any applicable sales and/or rental tax):

Months	Annualized Rent	Monthly Rent	Annual Rent PSF
1-12	\$364,339.50	\$30,361.63	\$24.50
13-24	\$373,410.81	\$31,117.57	\$25.11
25-36	\$382,779.54	\$31,898.30	\$25.74
37-48	\$392,296.98	\$32,691.42	\$26.38
49-60	\$402,111.84	\$33,509.32	\$27.04
61-72	\$412,224.12	\$34,352.01	\$27.72
73-84	\$422,485.11	\$35,207.09	\$28.41

**SECURITY DEPOSIT:** \$30,361.63

**PUBLIC LIABILITY INSURANCE AMOUNT:** \$3,000,000.00

**BROKERS:** Avison Young (Landlord) and Cushman & Wakefield (Tenant)

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## PART II STANDARD LEASE PROVISIONS

### ARTICLE I PREMISES

#### 1.1 Premises.

(a) *Demise of Premises.* This Lease (the "Lease") is made and entered into by and between Landlord and Tenant and shall become effective as of the Date of Lease. In consideration of the mutual covenants made herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, on all of the terms and conditions set forth in this Lease.

(b) *Intentionally Omitted.*

(c) *Access to Premises.* Landlord shall have reasonable access to the Premises, at any time during the Term, to inspect Tenant's performance hereunder and to perform any acts required of or permitted to Landlord herein, including, without limitation, (i) the right to make any repairs or replacements Landlord deems necessary, (ii) the right to show the Premises to prospective purchasers and mortgagees, and (iii) during the last nine (9) months of the Term (unless Tenant has then exercised its Renewal Option as defined in Part III below), the right to show the Premises to prospective tenants. Landlord shall at all times have a key to the Premises, and Tenant shall not change any existing lock(s), nor install any additional lock(s) without Landlord's prior consent. Except in the case of any emergency, any entry into the Premises by Landlord shall be on reasonable advance notice. Tenant shall have access to the Premises twenty-four (24) hours per day, seven days per week throughout the initial Lease Term and any renewals thereof.

1.2 **Common Areas.** Tenant shall have the right to use, in common with other tenants, the Building's common lobbies, corridors, stairways, and elevators necessary for access to the Premises, and the common walkways and driveways necessary for access to the Building, the common toilets, corridors and elevator lobbies of any multi-tenant floor, and the parking areas for the Building ("Common Areas"). Tenant's use of the Building parking areas shall be on an unreserved, non-exclusive basis and solely for Tenant's employees and visitors. Landlord shall not be liable to Tenant, and this Lease shall not be affected, if any parking rights of Tenant hereunder are impaired by any law, ordinance or other governmental regulation imposed after the Date of Lease. If Landlord grants to any other tenant the exclusive right to use any particular parking spaces, neither Tenant nor its visitors shall use such spaces. Use of the Common Areas shall be only upon the terms set forth at any time by Landlord. Landlord may at any time and in any manner make any changes, additions, improvements, repairs or replacements to the Common Areas that it considers desirable, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's normal activities. Such actions of Landlord shall not constitute constructive eviction or give rise to any rent abatement or liability of Landlord to Tenant.

## ARTICLE II TERM

2.1 **Commencement Date.** The Scheduled Commencement Date set forth in Part I of this Lease shall be only an estimate of the beginning of the Term of this Lease and the actual commencement date (the "Commencement Date") shall be the first to occur of (i) June 1, 2016, (ii) the date the Premises are offered by Landlord for occupancy following substantial completion of the Tenant Improvements to be constructed by Landlord pursuant to **Exhibit B**, as reasonably determined by Landlord and subject only to punch-list items, and any certificate or approval required by local governmental authority for occupancy of the Premises has been obtained, or (iii) the date Tenant enters into occupancy of the Premises. The dates upon which the Term shall commence and end shall be confirmed in Landlord's Notice of Lease Term Dates ("Notice"), substantially in the form attached as **Exhibit E**. Landlord shall deliver the Notice to Tenant after Landlord offers possession of the Premises to Tenant or Tenant enters into occupancy of the Premises. Tenant shall promptly return to Landlord a countersigned original of the Notice, provided that Landlord's failure to deliver the Notice shall not delay the Commencement Date.

## ARTICLE III RENT

### 3.1 Base Rent.

(a) *Payment of Base Rent.* Tenant shall pay the Base Rent each month in advance on the first day of each calendar month during the Term. If the Commencement Date is other than the first day of the month, Tenant shall pay a proportionate part of such monthly installment on the Commencement Date. An adjustment in the Base Rent for the last month of the Term shall be made if the Term does not end on the last day of the month. All payments shall be made to Manager at Manager's Address or to such other party or to such other place as Landlord may designate in writing, without prior demand and without abatement, deduction or offset. All charges to be paid by Tenant hereunder, other than Base Rent, shall be considered additional rent for the purposes of this Lease, and the words "rent" or "Rent" as used in this Lease shall mean both Base Rent and additional rent unless the context specifically or clearly indicates that only Base Rent is referenced.

(b) *Late Payments.* Tenant acknowledges that the late payment by Tenant to Landlord of any rent or other sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain. Therefore, if any rent or other sum due from Tenant is not received when due, Tenant shall pay to Landlord no later than ten (10) calendar days after the rental due date an additional sum equal to 5% of such overdue payment. In addition to such late charge, all such delinquent rent or other sums due to Landlord, including the late charge, shall bear interest beginning on the date such payment was due at the then maximum lawful rate permitted to be charged by Landlord. The notice and cure period provided in Paragraph 8.1(a) does not apply to the foregoing late charges and interest. If payments of any kind are returned for insufficient funds Tenant shall pay to Landlord an additional handling charge of \$50.00.

(c) *Initial Payment.* Upon execution hereof by Tenant, Tenant shall pay to Landlord (i) the Security Deposit and (ii) the Base Rent for the first month.

### 3.2 Additional Rent for Operating Expenses, Taxes, and Capital Costs.

(a) *Additional Rent.* For each Comparison Year, Tenant shall pay to Landlord as additional rent the sum of (1) the difference between Comparison Year Operating Expenses and the Base Year Operating Expenses, (2) the difference between Comparison Year Taxes and the Base Year Taxes, and (3) the Capital Costs, times Tenant's Percentage ("Tenant's Share of Expenses").

(b) *Definitions.* As used herein, the following terms shall have the following meanings:

- (i) *Base Year.* 2016.
- (ii) *Comparison Year.* Each calendar year of the Term after the Base Year.
- (iii) *Operating Expenses.* The total cost of operation of the Property, including, without limitation, (1) premiums and deductibles for insurance carried with respect to the Property; (2) all costs of supplies, materials, equipment, and utilities used in or related to the operation, maintenance, and repair of the Property or any part thereof (including utilities, unless the cost of any utilities is to be paid for separately by Tenant pursuant to Paragraph 6.1(b)); (3) all labor costs, including without limitation, salaries, wages, payroll and other taxes, unemployment insurance costs, and employee benefits; (4) all maintenance, management (provided management fees will not exceed 5% of gross income from the Property), janitorial, inspection, legal, accounting, and service agreement costs related to the operation, maintenance, and repair of the Property or any part thereof, including, without limitation, service contracts with independent contractors; and (5) Taxes. Any of the above services may be performed by Landlord or its affiliates, provided that fees for the performance of such services shall be reasonable and competitive with fees charged by unaffiliated entities for the performance of such services in comparable buildings in the area. Operating Expenses shall not include the exclusions set forth in **Exhibit F** attached hereto.
- (iv) *Base Year Operating Expenses.* Operating Expenses incurred during the Base Year, provided that: (1) in the event that the Building is less than 95% occupied during the Base Year, then in determining the Base Year Operating Expenses, all Operating Expenses that may reasonably be determined to vary in accordance with the occupancy level of the Building, shall be grossed up to reflect 95% occupancy; and (2) if any extraordinary expenses are incurred during the Base Year which typically are not operations, maintenance, or repair costs of a stabilized property, as reasonably estimated by Landlord, then such expenses shall be excluded from the calculation of Operating Expenses during the

Base Year.

- (v) *Comparison Year Operating Expenses.* Operating Expenses incurred during the Comparison Year, provided that if the Building is less than 95% occupied during the Comparison Year, then in determining the Comparison Year Operating Expenses, all Operating Expenses that may reasonably be determined to vary in accordance with the occupancy level of the Building, shall be grossed up to reflect 95% occupancy
- (vi) *Taxes.* Any form of assessment, rental tax, license tax, business license tax, levy, charge, tax or similar imposition imposed by any authority having the power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, library, drainage, or other improvement or special assessment district, as against the Property or any part thereof or any legal or equitable interest of Landlord therein, or against Landlord by virtue of its interest therein, and any reasonable costs incurred by Landlord in any proceedings for abatement thereof, including, without limitation, attorneys' and consultants' fees, and regardless of whether any abatement is obtained. Landlord's income and franchise taxes are excluded from Taxes.
- (vii) *Capital Costs.* The annual cost of any capital improvements to the Property made by Landlord after the Base Year that are designed to increase safety, to reduce Operating Expenses, or to comply with any governmental law or regulation imposed after initial completion of the Building, amortized over such period as Landlord shall reasonably determine, together with a fixed annual interest rate equal to the Prime Rate plus 2% on the unamortized balance. The Prime Rate shall be the prime rate published in the Wall Street Journal on the date the construction is completed.

(c) *Estimate of Tenant's Share of Expenses.* Before each Comparison Year, and from time to time as Landlord deems appropriate, Landlord shall give Tenant estimates for the coming Comparison Year of Operating Expenses, Capital Costs, and Tenant's Share of Expenses. Landlord shall make reasonable efforts to provide estimates fifteen (15) days before the beginning of each Comparison Year. Tenant shall pay one twelfth (1/12) of the estimated amount of Tenant's Share of Expenses with each monthly payment of Base Rent during the Comparison Year. Each Comparison Year, Landlord shall give Tenant a statement (the "Share of Expenses Statement") showing the Operating Expenses, and Capital Costs for the prior Comparison Year, a calculation of Tenant's Share of Expenses due for the prior Comparison Year and a summary of amounts already paid by Tenant for the prior Comparison Year. Landlord shall make reasonable efforts to provide the Share of Expenses Statement within one hundred twenty (120) days after the end of the prior Comparison Year. Any underpayment by Tenant shall be paid to Landlord within thirty (30) days after delivery of the Share of Expenses Statement; any overpayment shall be credited against the next installment of Base Rent due, provided that any overpayment shall be paid to Tenant within thirty (30) days if the Term has ended. No delay by

Landlord in providing any Share of Expenses Statement shall be deemed a waiver of Tenant's obligation to pay Tenant's Share of Expenses. Notwithstanding anything contained in this paragraph, the total rent payable by Tenant shall in no event be less than the Base Rent.

(d) *Reimbursement Limitations.* In addition to the foregoing, Landlord agrees that: (i) Landlord shall not be permitted to be reimbursed for more than one hundred percent (100%) of its actual costs incurred for Operating Expenses, Taxes, and Capital Costs, (ii) in the event that any Tenant of the Building pays any expense separately, the amount that such tenant(s) is obligated to pay shall be subtracted from the Operating Expenses under this Lease before determining Tenant's Share of Expenses, and (iii) (iii) none of the expenses included in determining Tenant's Share of Expenses shall be included in any other charge payable under this Lease.

#### **ARTICLE IV DELIVERY OF PREMISES AND TENANT IMPROVEMENTS**

**4.1 Condition of Premises.** Landlord shall deliver the Premises to Tenant with the tenant improvements substantially completed in accordance with the terms set forth in **Exhibit B** of this Lease ("Tenant Improvements"). Such Tenant Improvements shall become and remain the property of Landlord.

**4.2 Delay in Possession.** If Landlord is unable to deliver possession of the Premises to Tenant on or before the Scheduled Commencement Date for any reason whatsoever, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom and this Lease shall continue in full force and effect. Notwithstanding the foregoing, if Landlord has not delivered the Premises to Tenant within six (6) months after the Commencement Date set forth in Part I, Tenant may terminate this Lease by notice to Landlord given any time prior to delivery of the Premises.

**4.3 Delivery and Acceptance of Possession.** Tenant shall accept possession and enter in good faith occupancy of the entire Premises and commence the operation of its business therein within thirty (30) days after the Commencement Date. Tenant's taking possession of any part of the Premises shall be deemed to be an acceptance and an acknowledgment by Tenant that (i) Tenant has had an opportunity to conduct, and has conducted, such inspections of the Premises as it deems necessary to evaluate its condition, (ii) except as otherwise specifically provided herein, Tenant accepts possession of the Premises in its then existing condition, "as-is", including all patent and latent defects, (iii) Tenant Improvements have been completed in accordance with the terms of this Lease, except for defects of which Tenant has given Landlord written notice prior to the time Tenant takes possession, and (iv) neither Landlord, nor any of Landlord's agents, has made any oral or written representations or warranties with respect to such matters other than as set forth in this Lease.

**4.4 Early Occupancy.** Landlord shall permit Tenant and its contractors to enter the Premises approximately two (2) weeks prior to the Commencement Date for purposes of installing furniture, fixtures and equipment (including, without limitation, low voltage wiring). Tenant and its contractors shall enter the Premises subject to all of the provisions of this Lease (including, without limitation, Tenant's obligations regarding indemnity and insurance), except those provisions regarding Tenant's obligation to pay Base Rent and Additional Rent for the Premises, which obligation shall commence on the Commencement Date. Tenant and its contractors shall

not interfere with or adversely affect Landlord's ability to complete the Tenant Improvements, schedule inspections and obtain any required certificate of completion.

## **ARTICLE V ALTERATIONS AND TENANT'S PERSONAL PROPERTY**

### **5.1 Alterations.**

(a) *Landlord's Consent.* Tenant shall not make any alterations, additions, installations, substitutes or improvements ("Alterations") in and to the Premises without first obtaining Landlord's written consent. Landlord shall not unreasonably withhold or delay its consent; provided, however, that Landlord shall have no obligation to consent to Alterations of a structural nature or Alterations that would violate the certificate of occupancy for the Premises or any applicable law, code or ordinance or the terms of any superior lease or mortgage affecting the Property. No consent given by Landlord shall be deemed as a representation or warranty that such Alterations comply with laws, regulations and rules applicable to the Property ("Laws"). Tenant shall pay Landlord's reasonable costs of reviewing or inspecting any proposed Alterations and any other costs that may actually be incurred by Landlord as a result of such Alterations. Landlord's contractor shall perform all Alterations work required by Tenant. Landlord shall contract with the general contractor for completion of the work. Landlord shall manage the construction on behalf of Tenant. Landlord shall charge a construction management fee equal to five percent (5%) of the total cost of construction of the improvements. Such construction management fee shall be paid by Tenant, along with any construction costs pursuant to the terms hereof. Landlord shall act as the single point of contact between Tenant and the architectural and engineering team (if any), and with the general contractor.

(b) *Workmanship.* All Alterations shall be done at reasonable times in a first-class workmanlike manner, by contractors approved by Landlord, and according to plans and specifications previously approved by Landlord. All work shall be done in compliance with all Laws, and with all regulations of the Board of Fire Underwriters or any similar insurance body or bodies. Tenant shall be solely responsible for the effect of any Alterations on the Building's structure and systems, notwithstanding that Landlord has consented to the Alterations, and shall reimburse Landlord on demand for any costs incurred by Landlord by reason of any faulty work done by Tenant or its contractors. Upon completion of Alterations, Tenant shall provide Landlord with a complete set of "as-built" plans.

(c) *Mechanics and Other Liens.* Tenant shall keep the Property and Tenant's leasehold interest therein free of any liens or claims of liens, and shall discharge any such liens within ten (10) days of their filing. Before commencement of any work, Tenant's contractor shall provide payment, performance and lien indemnity bonds required by Landlord, and Tenant shall provide evidence of such insurance as Landlord may require, naming Landlord as an additional insured. Tenant shall indemnify Landlord and hold it harmless from and against any cost, claim, or liability arising from any work done by or at the direction of Tenant.

(d) *Removal of Alterations.* All Alterations affixed to the Premises shall become part thereof and remain therein at the end of the Term. However, if Landlord gives Tenant notice, at the time Landlord approves the Alterations, that Tenant must remove such Alterations upon expiration or termination of this Lease, then upon such expiration or termination,

Tenant shall remove the Alterations, make any repair required by such removal, and restore the Premises to its condition prior to installation of the Alterations.

**5.2 Tenant's Personal Property.**

(a) *In General.* Tenant may provide and install, and shall maintain in good condition, all trade fixtures, personal property, equipment, furniture and moveable partitions required in the conduct of its business in the Premises. All of Tenant's personal property, trade fixtures, equipment, furniture, movable partitions, and any Alterations not affixed to the Premises shall remain Tenant's property ("Tenant's Property").

(b) *Intentionally Omitted.*

(c) *Payment of Taxes.* Tenant shall pay before delinquency all taxes levied against Tenant's Property and any Alterations installed by or on behalf of Tenant. If any such taxes are levied against Landlord or its property, or if the assessed value of the Premises is increased by the inclusion of a value placed on Tenant's Property, Landlord may pay such taxes, and Tenant shall within thirty (30) days repay to Landlord the portion of such taxes resulting from such increase.

**ARTICLE VI LANDLORD'S COVENANTS**

**6.1 Services Provided by Landlord.**

(a) *Services.* Landlord shall provide to the Premises services, utilities, facilities and supplies equal in quality to those customarily provided by landlords in buildings of a similar design in the area in which the Property is located. Landlord shall provide reasonable additional Building operation services upon reasonable advance request of Tenant at reasonable rates from time to time established by Landlord. Landlord shall furnish space heating and cooling as normal seasonal changes may require to provide reasonably comfortable space temperature and ventilation for occupants of the Premises under normal business operation, daily from 8:00 a.m. to 6:00 p.m. (Saturdays from 9:00 a.m. to 1:00 p.m., but only if requested by Tenant by 5:00 p.m. on the immediately preceding Friday), Sundays and legal state holidays excepted. If Tenant shall require space heating or cooling outside the hours and days above specified, Landlord shall provide such service at Tenant's expense in accordance with any advance notice requirements established from time to time by Landlord.

(b) *Separately Metered Utilities.* Landlord shall provide standard janitorial services and such utilities as are part of Operating Expenses to the Premises. Tenant shall pay all charges for separately metered and separately billed telephone and other utility services used, rendered or supplied upon or in connection with the Premises above the full service currently provided in the Building and, in connection therewith, Tenant shall indemnify Landlord against liability or damage on such account. The costs of any utilities which are not separately metered shall be included as an Operating Expense. If Landlord has reason to believe that Tenant is using a disproportionate share of any utility which is not separately metered, Landlord may, at Landlord's election, and at Landlord's expense, conduct an engineering audit to estimate Tenant's actual use. If such audit determines that Tenant is using more than its proportionate share of any utility, Tenant shall reimburse Landlord for the cost of the audit and Tenant shall pay for any use

above its proportionate share as additional rent. If such audit determines that Tenant is not using more than its proportionate share of any utility, Tenant shall not be obligated to reimburse Landlord for the cost of said audit.

(c) *Graphics and Signs.* Landlord, at Landlord's expense, shall provide identification of Tenant's name and suite numerals at the main entrance door to the Premises and in the Building directory. All signs, notices, graphics and decorations of every kind or character which are visible in or from the Common Areas or the exterior of the Premises shall be subject to Landlord's prior written approval, which Landlord shall have the right to withhold in its absolute and sole discretion.

(d) *Right to Cease Providing Services.* In case of Force Majeure or in connection with any repairs, alterations or additions to the Property or the Premises, or any other acts required of or permitted to Landlord herein, Landlord may reduce or suspend service of the Building's utilities, facilities or supplies, provided that Landlord shall use reasonable diligence to restore such services, facilities or supplies as soon as possible. No such reduction or suspension shall constitute an actual or constructive eviction or disturbance of Tenant's use or possession of the Premises provided, however, that if such reduction or suspension renders the Premises unusable, in Landlord's and Tenant's reasonable judgment, for a period in excess of five (5) consecutive business days, Base Rent shall abate until utility service is restored.

**6.2 Repairs and Maintenance.** Landlord shall repair and maintain (i) the Common Areas, (ii) the structural portions of the Building, (iii) the exterior walls of the Building (including exterior windows and glazing), (iv) the roof, and (v) the basic plumbing, utility and sewer lines, Building life safety systems, sprinklers (if any), electrical, mechanical and heating, ventilating and air-conditioning systems serving the Premises, in the manner and to the extent customarily provided by landlords in similar buildings in the area. Tenant shall pay for such repairs as set forth in Paragraph 3.2. If any maintenance, repair or replacement is required because of any act, omission or neglect of duty by Tenant or its agents, employees, invitees or contractors, the cost thereof shall be paid by Tenant to Landlord as additional rent within thirty (30) days after billing.

**6.3 Quiet Enjoyment.** Upon Tenant's paying the rent and performing its other obligations, Landlord shall permit Tenant to peacefully and quietly hold and enjoy the Premises, subject to the provisions of this Lease.

**6.4 Insurance.** Landlord shall insure the Property, including the Building and Tenant Improvements and approved Alterations, if any, against damage by fire and standard extended coverage perils, and shall carry public liability insurance, all in such reasonable amounts as would be carried by a prudent owner of a similar building in the area. Landlord may carry any other forms of insurance as it or its mortgagee may deem advisable. Insurance obtained by Landlord shall not be in lieu of any insurance required to be maintained by Tenant. Landlord shall not carry any insurance on Tenant's Property, and shall not be obligated to repair or replace any of Tenant's Property.

## **ARTICLE VII TENANT'S COVENANTS**

### **7.1 Repairs, Maintenance and Surrender.**

(a) *Repairs and Maintenance.* Subject to Section 6.2 above, Tenant shall keep the Premises in good order and condition, and shall promptly repair any damage to the Premises excluding glass in exterior walls. Tenant shall also repair any damage to the rest of the Property, including glass in exterior walls, if such damage is attributable to Tenant's negligence or misuse caused by Tenant or its agents, employees, or invitees, licensees or independent contractors. All repairs shall be made in a workmanlike manner and any replacements or substitutions shall be of a quality, utility, value and condition similar to or better than the replaced or substituted item.

(b) *Surrender.* At the end of the Term, Tenant shall peaceably surrender the Premises in good order, repair and condition, except for reasonable wear and tear and damage due to casualty, if any, and Tenant shall remove Tenant's Property (including, without limitation and if requested by Landlord with reasonable prior notice, all cabling and telecommunications equipment, excepting any cabling not installed by or on behalf of Tenant) and (if required by Landlord) any Alterations, repairing any damage caused by such removal and restoring the Premises and leaving them clean and neat. Any property not so removed shall be deemed abandoned and may be retained by Landlord or may be removed and disposed of by Landlord in such manner as Landlord shall determine. Tenant shall be responsible for costs and expenses incurred by Landlord in removing any Alterations which Tenant failed to remove per Landlord's request at the time Landlord approved such Alteration and disposing of any such abandoned property, making any incidental repairs and replacements to the Premises, and restoring the Premises to its original condition.

## **7.2 Use.**

(a) *General Use.* Tenant shall use the Premises only for the Permitted Uses, and shall not use or permit the Premises to be used in violation of any law or ordinance or of any certificate of occupancy issued for the Building or the Premises, or of the Rules and Regulations. Tenant shall not cause, maintain or permit any nuisance in, on or about the Property, or commit or allow any waste in or upon the Property. Tenant shall not use utility services in excess of amounts reasonably determined by Landlord to be within the normal range of demand for the Permitted Uses.

(b) *Obstructions and Exterior Displays.* Tenant shall not obstruct any of the Common Areas or any portion of the Property outside the Premises, and shall not, except as otherwise previously approved by Landlord, place or permit any signs, decorations, curtains, blinds, shades, awnings, aerials or flagpoles, or the like, that may be visible from outside the Premises. If Landlord designates a standard window covering for use throughout the Building, Tenant shall use this standard window covering to cover all windows in the Premises.

(c) *Floor Load.* Tenant shall not place a load upon the floor of the Premises exceeding the load per square foot such floor was designed to carry, as determined by applicable building code.

(d) *Compliance with Insurance Policies.* Tenant shall not keep or use any article in the Premises, or permit any activity therein, which is prohibited by any insurance policy covering the Building, or would result in an increase in the premiums thereunder. Landlord acknowledges and agrees that the use of the Premises in the proper and ordinary conduct of the

Tenant's business for the purposes set forth herein shall not be considered in violation of this paragraph.

(e) *Rules and Regulations.* Tenant shall observe and comply with the rules and regulations attached as **Exhibit C** ( the "Rules and Regulations"), and all modifications thereto as made by Landlord and put into effect from time to time. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or occupant of the Building of the Rules and Regulations.

### **7.3 Assignment; Sublease.**

(a) *Consent Required.* Tenant shall not assign its rights under this Lease nor sublet the whole or any part of the Premises without Landlord's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. Landlord's consent shall not be considered unreasonably withheld (by way of example and not limitation) if (i) the proposed subtenant's or assignee's creditworthiness does not meet the same criteria Landlord uses to select comparable Building tenants; (ii) the proposed subtenant's or assignee's business is not suitable for the Building when considering the business of the other tenants and the Building's profile or reputation; (iii) the proposed subtenant or assignee is already a tenant or occupant of the Building; or (iv) Landlord then has available for lease in the Building a similarly sized space. In the event that Landlord grants such consent, Tenant shall remain primarily liable to Landlord for the payment of all rent and for the full performance of the obligations under this Lease and fifty percent (50%) of any excess gross rents collected by Tenant shall be paid to Landlord. Tenant shall be responsible for payment of all out of pocket costs actually incurred by Landlord in connection with any such request for Landlord's consent to a proposed assignment or subletting, as provided in Paragraph 11.5. Any assignment or subletting which does not conform with this Paragraph 7.3 shall be void and a default hereunder.

(b) *Recapture.* In addition to, but not in limitation of, the foregoing: in the event of a request by Tenant for Landlord's consent to a proposed assignment of the Lease or a proposed subletting of twenty percent (20%) or more of the floor area of the Premises, Landlord, at Landlord's sole option, may terminate the Lease; and in the event of a request by Tenant for Landlord's consent to a proposed subletting of less than twenty percent (20%) of the floor area of the Premises, Landlord, at Landlord's sole option, may cancel the Lease with respect to the area in question for the proposed term of such sublease. Landlord shall exercise any such option by written notice given to Tenant within thirty (30) days after Landlord's receipt of such request from Tenant, and in each case such termination or cancellation shall take effect as of the date set forth in Landlord's said notice, which shall be not less than sixty (60) days and not more than one hundred twenty (120) days after the date of Landlord's said notice. If Landlord exercises any such option to terminate or cancel the Lease, Tenant shall surrender possession of the portion of the Premises to which the termination or cancellation applies on or before the date set forth in Landlord's notice, in accordance with the provisions of this Lease relating to the surrender of the Premises at expiration of the Term. If the Lease is cancelled as to a portion of the Premises only, Base Rent after the date of such cancellation shall be abated on a pro-rata basis, as determined by Landlord, and Tenant's Percentage shall be proportionally reduced. Landlord's failure to exercise such option to terminate or cancel the Lease shall not be construed as Landlord's consent to the proposed assignment or subletting.

(c) *Entity Changes.* For purposes of this Paragraph 7.3, "assignment" shall include, without limitation: (i) any transfer of Tenant's interest in this Lease by operation of law; (ii) any merger or consolidation of Tenant with or into any other firm or corporate entity, whether in a single transaction or a series of transactions; (iii) the transfer or sale of a controlling interest in Tenant, whether by sale of its capital stock or otherwise; or (iv) any agreement by which Tenant agrees to enter into or execute any assignment or other transfer of the Lease at the direction of any other party, or assigns Tenant's rights in and to the income arising from any such assignment or transfer to another party.

(d) *Permitted Transfers.* Notwithstanding anything in this Lease to the contrary, Tenant does not need to obtain Landlord's consent to an assignment or subletting to (i) any entity resulting from a merger or consolidation with Tenant, (ii) any entity succeeding to substantially all of Tenant's business or assets, (iii) any parent of Tenant, and/or (iv) any entity that controls, is controlled by, or is under common control with Tenant (each, a "Permitted Transfer"), provided that in each case Tenant shall remain fully liable hereunder and, with regard to a Permitted Transfer only, subsection (b) above shall not apply.

#### **7.4 INDEMNITY.**

(A) TENANT, AT TENANT'S EXPENSE, SHALL DEFEND (WITH COUNSEL SATISFACTORY TO LANDLORD), INDEMNIFY AND HOLD HARMLESS LANDLORD AND LANDLORD'S AGENTS, EMPLOYEES, INVITEES, LICENSEES AND CONTRACTORS FROM AND AGAINST ANY COST, CLAIM, ACTION, LIABILITY OR DAMAGE OF ANY KIND ARISING FROM (i) TENANT'S USE AND OCCUPANCY OF THE PREMISES OR THE PROPERTY, OR ANY ACTIVITY DONE OR PERMITTED BY TENANT, IN, ON OR ABOUT THE PREMISES OR THE PROPERTY, (ii) ANY BREACH OR DEFAULT BY TENANT OF ITS OBLIGATIONS UNDER THIS LEASE, OR (iii) ANY NEGLIGENT, TORTIOUS OR ILLEGAL ACT OR OMISSION OF TENANT, ITS AGENTS, EMPLOYEES, INVITEES, LICENSEES OR CONTRACTORS. THE OBLIGATIONS OF TENANT UNDER THIS PARAGRAPH SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE. NOTHING IN THIS PARAGRAPH SHALL RELIEVE LANDLORD FROM, OR REQUIRE TENANT TO INDEMNIFY LANDLORD AGAINST, LIABILITY FOR DAMAGES TO PROPERTY OR INJURY TO PERSON CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD OR ITS AGENTS, EMPLOYEES OR CONTRACTORS. ALL PROPERTY KEPT, STORED OR MAINTAINED IN THE PREMISES SHALL BE AT THE SOLE RISK OF TENANT.

(b) Landlord, at Landlord's expense, shall defend, indemnify and hold harmless Tenant and Tenant's agents, employees, invitees, licensees and contractors from and against any cost, claim, action, liability or damage of any kind arising from (i) any breach or default by Landlord of its obligations under this Lease, or (ii) any negligent, tortious or illegal act or omission of Landlord, its agents, employees, invitees, licensees or contractors. The obligations of Landlord under this paragraph shall survive the expiration or termination of this Lease. Nothing in this paragraph shall relieve Tenant from, or require Landlord to indemnify Tenant against, liability for damages to property or injury to person caused by the negligence or willful misconduct of Tenant or its agents, employees or contractors.

**7.5 Tenant's Insurance.** Tenant shall maintain in responsible companies qualified to do business, in good standing in the state in which the Premises are located and otherwise acceptable to Landlord and at its sole expense the following insurance: (i) commercial general liability insurance covering the Premises insuring Landlord as well as Tenant with limits which shall, at the commencement of the Term, be at least equal to the Public Liability Insurance

Amount and from time to time during the Term shall be for such higher limits, if any, as are customarily carried in the area in which the Premises are located with respect to similar properties, (ii) workers' compensation insurance with statutory limits covering all of Tenant's employees working in the Premises, (iii) property insurance insuring Tenant's Property for the full replacement value of such items and (iv) business interruption insurance. There shall be a deductible not greater than \$10,000 for property insurance policies. Tenant shall deposit promptly with Landlord certificates for such insurance, and all renewals thereof, bearing the endorsement that the policies will not be canceled until after thirty (30) days' written notice to Landlord. All policies shall be taken out with insurers with a rating of A-IX by Best's and otherwise acceptable to Landlord.

**7.6 Payment of Taxes.** If at any time during the Term, any political subdivision of the state in which the Property is located, or any other governmental authority, levies or assesses against Landlord a tax or excise on rents or other tax (excluding income tax), however described, including but not limited to assessments, charges or fees required to be paid, by way of substitution for or as a supplement to real estate taxes, or any other tax on rent or profits in substitution for or as a supplement to a tax levied against the Property, Building or Landlord's personal property, then Tenant will pay to Landlord as additional rent its proportionate share based on Tenant's Percentage of said tax or excise.

**7.7 Environmental Assurances.**

**(a) Covenants.**

- (i) Tenant shall not cause any Hazardous Materials to be used, generated, stored or disposed of on, under or about, or transported to or from, the Premises unless the same is specifically approved in advance by Landlord in writing other than small quantities of retail, household, and office chemicals customarily sold over-the-counter to the public and which are related to Tenant's Permitted Uses.
- (ii) Tenant shall comply with all obligations imposed by Environmental Laws, and all other restrictions and regulations upon the use, generation, storage or disposal of Hazardous Materials at, to or from the Premises.
- (iii) Tenant shall deliver promptly to Landlord true and complete copies of all notices received by Tenant from any governmental authority with respect to the use, generation, storage or disposal by Tenant of Hazardous Materials at, to or from the Premises and shall immediately notify Landlord both by telephone and in writing of any unauthorized discharge of Hazardous Materials or of any condition that poses an imminent hazard to the Property, the public or the environment.
- (iv) Tenant shall complete fully, truthfully and promptly any questionnaires sent by Landlord with respect to Tenant's use of the

Premises and its use, generation, storage and disposal of Hazardous Materials at, to or from the Premises.

- (v) Tenant shall permit entry onto the Premises by Landlord or Landlord's representatives at any reasonable time to verify and monitor Tenant's compliance with its covenants set forth in this Paragraph 7.7 and to perform other environmental inspections of the Premises.
- (vi) If Landlord conducts any environmental inspections because it has reasonable grounds to believe that Tenant's activities have or are likely to result in a violation of Environmental Laws or a release of Hazardous Materials on the Property, then Tenant shall pay to Landlord, as additional rent, the out of pocket costs incurred by Landlord for such inspections.
- (vii) Tenant shall cease immediately upon notice from Landlord any activity which violates or creates a risk of violation of any Environmental Laws.
- (viii) After notice to and approval by Landlord, Tenant shall promptly remove, clean-up, dispose of or otherwise remediate, in accordance with Environmental Laws and good commercial practice, any Hazardous Materials on, under or about the Property resulting from Tenant's activities on the Property.

(b) *Indemnification.* Tenant shall indemnify, defend with counsel acceptable to Landlord and hold Landlord harmless from and against any claims, damages, costs, liabilities or losses (including, without limitation, any decrease in the value of the Property, loss or restriction of any area of the Property, and adverse impact of the marketability of the Property or Premises) arising out of Tenant's use, generation, storage or disposal of Hazardous Materials at, to or from the Premises.

(c) *Definitions.* Hazardous Materials shall include but not be limited to substances defined as "hazardous substances", "toxic substances", or "hazardous wastes" in the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the federal Hazardous Materials Transportation Act, as amended; and the federal Resource Conservation and Recovery Act, as amended; those substances defined as "hazardous substances", "materials", or "wastes" under the law of the state in which the Premises are located; and as such substances are defined in any regulations adopted and publications promulgated pursuant to said laws ("Environmental Laws"); materials containing asbestos or urea formaldehyde; gasoline and other petroleum products; flammable explosives; radon and other natural gases; and radioactive materials.

(d) *Survival.* The obligations of Tenant in this Paragraph 7.7 shall survive the expiration or termination of this Lease.

(e) *Existing Hazardous Materials.* Landlord shall be responsible at Landlord's expense to remediate any Hazardous Materials present on, under, or in the Premises prior to the Lease Commencement Date, to the extent such remediation is required by applicable Environmental Laws.

7.8 **Americans With Disabilities Act.** Landlord shall comply with the Americans with Disabilities Act of 1990 ("ADA") and the regulations promulgated thereunder with respect to the Building excluding the Premises and, prior to the Commencement Date with respect to the Premises, including the Tenant Improvements installed by Landlord. Tenant shall comply with the ADA and the regulations thereunder that are promulgated after the Commencement Date with respect to the Premises. Subject to the foregoing, Tenant hereby expressly assumes all responsibility for the compliance of activities conducted by Tenant within the Premises with the ADA relating to the Premises. Any Alterations to the Premises made by Tenant for the purpose of complying with the ADA or which otherwise require compliance with the ADA shall be done in accordance with this Lease; provided, that Landlord's consent to such Alterations shall not constitute either Landlord's assumption, in whole or in part, of Tenant's responsibility for compliance with the ADA, or representation or confirmation by Landlord that such Alterations comply with the provisions of the ADA.

## ARTICLE VIII DEFAULT

8.1 **Default.** The occurrence of any one or more of the following events shall constitute an event of default hereunder by Tenant ("Event of Default"):

(a) The failure by Tenant to make any payment of Base Rent or additional rent or any other payment required hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant; provided, that Landlord shall not be required to provide such notice more than twice during the Term with respect to non-payment of Rent, the third such non-payment constituting a default without requirement of notice;

(b) The failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in clause (a) above, where such failure shall continue for a period of more than thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period, diligently prosecutes such cure to completion, and completes such cure no later than sixty (60) days from the date of such notice from Landlord;

(c) The failure by Tenant to pay its debts as they become due, or Tenant or any such Guarantor (if any) becoming insolvent, filing or having filed against it a petition under any chapter of the United States Bankruptcy Code, 11 U.S.C. Paragraph 101 *et seq.* (or any similar petition under any insolvency law of any jurisdiction) and such petition is not dismissed within sixty (60) days thereafter, proposing any dissolution, liquidation, composition, financial reorganization or recapitalization with creditors, making an assignment or trust mortgage for the benefit of creditors, or if a receiver, trustee, custodian or similar agent is appointed or takes possession with respect to any property or business of Tenant; or

(d) If the leasehold estate under this Lease or any substantial part of the property or assets of Tenant is taken by execution, or by other process of law, or is attached or subjected to any involuntary encumbrance if such attachment or other seizure remains undismissed or undischarged for a period of ten business (10) days after the levy thereof.

(e) Notwithstanding anything contained herein to the contrary, Tenant shall have the right to close and vacate the Premises at any time during the term of this Lease without being deemed to be in default hereunder, provided that (i) Tenant provides at least thirty (30) days prior notice to Landlord, (ii) Tenant continuously pays all Base Rent, Additional Rent, and any other costs due and payable by Tenant hereunder, and maintains the Premises as required hereby, and (iii) Landlord's recapture rights under Section 7.3 shall be in effect. In the event Tenant closes its' business in the Premises as aforesaid, Tenant hereby waives its' corporate exclusion right set forth in paragraph 4 of Part III (Additional Provisions) of this Lease;

## **8.2 Remedies of Landlord and Calculation of Damages.**

(a) *Remedies.* In the event of any Event of Default by Tenant, whether or not the Term shall have begun, in addition to any other remedies available to Landlord at law or in equity, Landlord may, at its option and without further notice exercise any or all of the following remedies:

- (i) Terminate the Lease and upon notice to Tenant of termination of the Lease all rights of Tenant hereunder shall thereupon come to an end as fully and completely as if the date such notice is given were the date originally fixed for the expiration of the Term, and Tenant shall then quit and surrender the Premises to Landlord and Landlord shall have the right, without judicial process, to re-enter the Premises. No such expiration or termination of the Lease shall relieve Tenant of its liability and obligations under the Lease. Notwithstanding the foregoing, Landlord agrees that if it obtains possession of any Protected Health Information ("PHI") (as defined by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and its implementing regulations, as amended from time to time) due to eviction or any other exercise of repossession, that it shall safeguard and return such PHI to Tenant. This provision includes, but is not limited to, PHI contained in paper documents and files, electronic storage devices, and electronic data on computers or servers.
- (ii) Accelerate the payment of Base Rent and all additional rent under this Lease for the remainder of the Term and terminate the Lease in the same manner, and with the same force and effect, as provided in clause (i) above.
- (iii) Enter the Premises and cure any default by Tenant and in so doing, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord, and all incidental costs and

expenses, including reasonable attorneys' fees, shall be considered additional rent under this Lease and shall be payable to Landlord immediately upon demand, together with interest from the date of demand to the date of payment at the maximum lawful rate permitted to be charged by Landlord.

(b) *Calculation of Damages.* If this Lease is terminated as provided in Paragraph 8.2(a)(i) above, Tenant, until the end of the Term, or what would have been such Term in the absence of any such event, shall be liable to Landlord, as damages for Tenant's default, for the amount of the Base Rent and all additional rent and other charges which would be payable under this lease by Tenant if this Lease were still in effect, less the net proceeds of any reletting of the Premises actually collected by Landlord after deducting all Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, reasonable attorneys' fees, alteration costs and expenses of preparation of the Premises for such reletting. Tenant shall pay such damages to Landlord monthly on the days on which the Base Rent would have been payable as if this Lease were still in effect, and Landlord shall be entitled to recover from Tenant such damages monthly as the same shall arise.

If Base Rent and additional rent are accelerated and this Lease is terminated as provided in Paragraph 8.2(a)(ii) above, Tenant shall be liable to pay to Landlord, in one payment, as damages for Tenant's default, an amount equal to the total amount of Base Rent and additional rent reserved in this Lease from the date of default to the date of expiration of the Term discounted at a fixed annual interest rate equal to the Federal Funds Rate as published in the Wall Street Journal on the date of Landlord's election to accelerate the rents hereunder.

Whether or not the Lease is terminated, Landlord shall in no way be responsible or liable for any failure to relet the Premises or for any failure to collect any rent upon such reletting.

(c) *No Limitations.* Nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be provided, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

(d) *Cumulative Remedies.* Landlord's remedies under this Lease are cumulative and not exclusive of any other remedies to which Landlord may be entitled in case of Tenant's default or threatened default under this Lease, including, without limitation, the remedies of injunction and specific performance.

## **ARTICLE IX CASUALTY AND EMINENT DOMAIN**

### **9.1 Casualty.**

(a) *Casualty in General.* If, during the Term, the Premises, the Building or the Lot, are wholly or partially damaged or destroyed by fire or other casualty, and the casualty

renders the Premises totally or partially inaccessible or unusable by Tenant in the ordinary conduct of Tenant's business, then Landlord shall, within sixty (60) days of the date of the damage, give Tenant a notice ("Damage Notice") stating whether, according to Landlord's good faith estimate, the damage can be repaired within nine (9) months from the date of the casualty ("Repair Period"), without the payment of overtime or other premiums. The parties' rights and obligations shall then be governed according to whether the casualty is an Insured Casualty or an Uninsured Casualty as set forth in the following paragraphs.

(b) *Insured Casualty.* If the casualty results from a risk, the loss to Landlord from which is fully covered by insurance maintained by Landlord or for Landlord's benefit (except for any deductible amount), it shall be an "Insured Casualty" and governed by this Paragraph 9.1(b). In such event, if the Damage Notice states that the repairs can be completed within the Repair Period without the payment of overtime or other premiums, then Landlord shall promptly proceed to make the repairs, this Lease shall remain in full force and effect, and Base Rent shall be reduced, during the period between the casualty and completion of the repairs, in proportion to the portion of the Premises that is inaccessible or unusable during that period and which is, in fact, not utilized by Tenant. Base Rent shall not be reduced by reason of any portion of the Premises being unusable or inaccessible for a period of fifteen (15) business days or less. If the Damage Notice states that the repairs cannot, in Landlord's estimate, be completed within the Repair Period without the payment of overtime or other premiums, then either party may, terminate this Lease by written notice given to the other within thirty (30) days after the giving of the Damage Notice. If either party elects to terminate this Lease, the lease shall terminate as of the date of the occurrence of such damage or destruction and Tenant shall vacate the Premises fifteen (15) business days from the date of the written notice terminating the Lease. If neither party so terminates, then this Lease shall remain in effect, Landlord shall make repairs, and Base Rent shall be proportionately reduced as set forth above during the period when the Premises is inaccessible or unusable and is not used by Tenant.

(c) *Uninsured Casualty.* If the casualty is not an Insured Casualty as set forth in the previous paragraph, it shall be an "Uninsured Casualty" governed by this Paragraph 9.1(c). In such event, if the Damage Notice states that the repairs can be completed within the Repair Period without the payment of overtime or other premiums, Landlord may elect, by written notice given to Tenant within thirty (30) days after the Damage Notice, to make the repairs, in which event this Lease shall remain in effect and Base Rent shall be proportionately reduced as set forth above. If Landlord does not so elect to make the repairs, or if the Damage Notice states that the repairs cannot be made within the Repair Period, this Lease shall terminate as of the date of the casualty and Tenant shall vacate the Premises five (5) business days from the date of Landlord's written notice to Tenant terminating the Lease.

(d) *Casualty within final six months of Term.* Notwithstanding anything to the contrary contained in this Paragraph 9.1, if the Premises or the Building is wholly or partially damaged or destroyed within the final six (6) months of the Term of this Lease, Landlord shall not be required to repair such casualty and either Landlord or Tenant may elect to terminate this Lease.

(e) *Tenant Improvements and Alterations.* If Landlord elects to repair after a casualty in accordance with this Paragraph 9.1, Landlord shall cause Tenant Improvements and Alterations which Landlord has approved, to be repaired and restored at Landlord's sole expense.

Landlord shall have no responsibility for any personal property placed or kept in or on the Premises or the Building by Tenant or Tenant's agents, employees, invitees or contractors and Landlord shall not be required to repair any damage to, or make any repairs to or replacements of, such personal property.

(f) *Exclusive Remedy.* This Paragraph 9.1 shall be Tenant's sole and exclusive remedy in the event of damage or destruction to the Premises or the Building. No damages, compensation or claim shall be payable by Landlord for any inconvenience, any interruption or cessation of Tenant's business, or any annoyance, arising from any damage to or destruction of all or any portion of the Premises or the Building.

(g) *Waiver of Subrogation.* Landlord and Tenant shall cause each insurance policy obtained by each of them to provide that the insurer waives all right of recovery by way of subrogation against either Landlord or Tenant in connection with any loss or damage covered by such policy.

## **9.2 Eminent Domain.**

(a) *Eminent Domain in General.* If the whole of the Premises, or so much of the Premises as to render the balance unusable by Tenant, shall be taken or appropriated under the power of eminent domain or condemnation (a "Taking"), either Landlord or Tenant may terminate this Lease and the termination date shall be the date of the Order of Taking, or the date possession is taken by the Taking authority, whichever is earlier. If any part of the Property is the subject of a Taking and such Taking materially affects the normal operation of the Building or Common Areas, Landlord may elect to terminate this Lease. A sale by Landlord under threat of a Taking shall constitute a Taking for the purpose of this Paragraph 9.2. No award for any partial or entire Taking shall be apportioned. Landlord shall receive (subject to the rights of Landlord's mortgagees) and Tenant hereby assigns to Landlord any award which may be made and any other proceeds in connection with such Taking, together with all rights of Tenant to such award or proceeds, including, without limitation, any award or compensation for the value of all or any part of the leasehold estate; provided that nothing contained in this Paragraph 9.2(a) shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any separate award made to Tenant for (i) the taking of Tenant's Property, or (ii) interruption of or damage to Tenant's business, or (iii) Tenant's moving and relocation costs.

(b) *Reduction in Base Rent.* In the event of a Taking which does not result in a termination of the Lease, Base Rent shall be proportionately reduced based on the portion of the Premises rendered unusable, and Landlord shall restore the Premises or the Building to the extent of available proceeds or awards from such Taking. Landlord shall not be required to repair or restore any damage to Tenant's Property or any Alterations.

(c) *Sole Remedies.* This Paragraph 9.2 sets forth Tenant's and Landlord's sole remedies for Taking. Upon termination of this Lease pursuant to this Paragraph 9.2, Tenant and Landlord hereby agree to release each other from any and all obligations and liabilities with respect to this Lease except such obligations and liabilities which arise or accrue prior to such termination.

## **ARTICLE X RIGHTS OF PARTIES HOLDING SENIOR INTERESTS**

10.1 **Subordination.** This Lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, ground lease or other matters of record ("Senior Interests") which now or at any time hereafter encumber the Property and Tenant shall, within twenty (20) days of Landlord's request, execute and deliver to Landlord such recordable written instruments as shall be necessary to show the subordination of this Lease to such Senior Interests. Landlord represents and warrants that the Building is not subject to any Senior Interests as of the date of this Lease. With respect to any Senior Interests that Landlord may hereafter create, Tenant's subordination thereto shall be conditional upon the holder of the Senior Interest executing and delivering to Tenant a commercially reasonable Subordination, Non-Disturbance and Attornment Agreement. If any holder of a Senior Interest succeeds to the interest of Landlord under this Lease, then, at the option of such holder, this Lease shall continue in full force and effect and Tenant shall attorn to such holder and to recognize such holder as its landlord. Upon any termination of Landlord's interest in the Building in which the Premises are a part, such person or organization then acquiring title to the Building or Premises ("Successor Landlord") shall, in a commercially reasonable period of time, notify Tenant whether such Successor Landlord or any controlling member of Successor Landlord is a physician or other medical professional. If such is the case, Tenant and Successor Landlord will enter into an amendment to the Lease addressing any Tenant Anti-kickback, Stark Law, or other regulatory requirements.

10.2 **Mortgagee's Consent.** No assignment of the Lease and no agreement to make or accept any surrender, termination or cancellation of this Lease and no agreement to modify so as to reduce the Rent, change the Term, or otherwise materially change the rights of Landlord under this Lease, or to relieve Tenant of any obligations or liability under this Lease, shall be valid unless consented to by Landlord's mortgagees of record, if any.

## ARTICLE XI GENERAL

11.1 **Representations by Tenant.** Tenant represents and warrants that any financial statements provided by it to Landlord were true, correct and complete when provided, and that no material adverse change has occurred since that date that would render them inaccurate or misleading. Tenant represents and warrants that those persons executing this Lease on Tenant's behalf are duly authorized to execute and deliver this Lease on its behalf, and that this Lease is binding upon Tenant in accordance with its terms, and if requested by Landlord, simultaneously with the execution of this Lease, Tenant shall deliver evidence of such authority to Landlord in form satisfactory to Landlord.

11.2 **Notices.** Any notice required or permitted hereunder shall be in writing. Notices shall be addressed to Landlord c/o Manager at Manager's Address and to Tenant at Tenant's Address. Any communication so addressed shall be deemed duly given when delivered by hand, one day after being sent by Federal Express (or other guaranteed one day delivery service) or three days after being sent by registered or certified mail, return receipt requested. Either party may change its address by giving notice to the other.

11.3 **No Waiver or Oral Modification.** No provision of this Lease shall be deemed waived by Landlord or Tenant except by a signed written waiver. No consent to any act or waiver

of any breach or default, express or implied, by Landlord or Tenant, shall be construed as a consent to any other act or waiver of any other breach or default.

**11.4 Severability.** If any provision of this Lease, or the application thereof in any circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each provision hereof shall be valid and enforceable to the fullest extent permitted by law.

**11.5 Requests by Tenant.** Tenant shall pay, within thirty (30) days after demand, all costs incurred by Landlord, including without limitation reasonable attorneys' fees, in connection with any matter requiring Landlord's review or consent or any other requests made by Tenant under this Lease, regardless of whether such request is granted by Landlord.

**11.6 Estoppel Certificate and Financial Statements.**

(a) *Estoppel Certificate.* Within ten (10) days after written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying (i) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (ii) the amount of Base Rent currently payable by Tenant to Landlord; (iii) Tenant's Percentage and Tenant's Share of Expenses currently payable by Tenant to Landlord; (iv) the date to which Base Rent and Tenant's Share of Expenses have been paid in advance; (v) the amount of any security deposited with Landlord; (vi) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default, and (vii) such other matters as may be reasonably requested by Landlord. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall be a default under this Lease and shall also be conclusive upon Tenant that this Lease is in full force and effect and has not been modified except as represented by Landlord; and there are no uncured defaults in Landlord's performance and Tenant has no right of offset, counterclaim or deduction against rent.

(b) *Financial Statements.* Tenant shall, without charge therefor, at any time within ten (10) days following a request by Landlord (but not more than once in any rolling 12-month period unless the Building is being sold), deliver to Landlord, or to any other party designated by Landlord, a true and accurate copy of Tenant's most recent audited financial statements, , provided that Landlord, or the party designated by Landlord to receive Tenant's financial statements, has signed Tenant's standard confidentiality agreement. All requests made by Tenant regarding renewals or expansions must be accompanied by Tenant's most recent financial statements. All requests made by Tenant regarding subleases, or assignments must be accompanied by Tenant's prospective subtenant's and prospective assignee's most recent financial statements.

**11.7 Waiver of Liability.** Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party or its property or the property of others under its control, to the extent that such loss or damage is insured against under any insurance policy that either may have in force at the time of the loss or damage. Each party shall notify its insurers that the foregoing waiver is contained in this Lease.

**11.8 Execution, Prior Agreements and No Representations.** This Lease shall not be binding and enforceable until executed by authorized representatives of Landlord and Tenant. This Lease contains all of the agreements of the parties with respect to the subject matter hereof and supersedes all prior dealings, whether written or oral, between them with respect to such subject matter. Each party acknowledges that the other has made no representations or warranties of any kind except as may be specifically set forth in this Lease.

**11.9 Brokers.** Each party represents and warrants that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except Brokers identified in Part 1 of the Lease. Landlord agrees to pay Brokers the commission arising under this Lease pursuant to a separate written agreement. Each party shall indemnify the other and hold it harmless from any cost, expense, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act or statement of the indemnifying party.

**11.10 Successors and Assigns.** This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that only the original Landlord named herein shall be liable for obligations accruing before the beginning of the Term, and thereafter the original Landlord named herein and each successive owner of the Premises shall be liable only for obligations accruing during the period of their respective ownership.

**11.11 Applicable Law and Lease Interpretation.** This Lease shall be construed, governed and enforced according to the laws of the state in which the Property is located. In construing this Lease, paragraph headings are for convenience only and shall be disregarded. Any recitals herein or exhibits attached hereto are hereby incorporated into this Lease by this reference. Time is of the essence of this Lease and every provision contained herein. The parties acknowledge that this Lease was freely negotiated by both parties, each of whom was represented by counsel; accordingly, this Lease shall be construed according to the fair meaning of its terms, and not against either party.

**11.12 Costs of Collection, Enforcement and Disputes.** Tenant shall pay all costs of collection, including reasonable attorneys' fees, incurred by Landlord in connection with any default by Tenant. If either Landlord or Tenant institutes any action to enforce the provisions of this Lease or to seek a declaration of rights hereunder, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs as part of any award. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other, on or in respect to any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant hereunder, Tenant's use or occupancy of the Premises, and/or claim of injury or damage.

**11.13 Holdover.** If Tenant holds over in occupancy of the Premises after the expiration of the Term, Tenant shall become a tenant at sufferance only on a month-to-month basis subject to the terms and conditions herein specified, so far as applicable. Tenant shall pay rent during the holdover period, at a base rental rate equal to one hundred fifty percent (150%) of the Base Rent in effect at the end of the Term, plus the amount of Tenant's Share of Expenses then in effect. In

addition, in the event that Landlord gives Tenant written notice that Landlord has identified a substitute tenant for the Premises and Tenant fails to fully vacate the Premises within thirty (30) days after receipt of such notice, then Tenant shall also be liable for all damages actually sustained by Landlord on account of such holding over.

**11.14 Force Majeure.** If Landlord or Tenant is prevented from or delayed in performing any act required of it hereunder, and such prevention or delay is caused by strikes, labor disputes, inability to obtain labor, materials, or equipment, inclement weather, acts of God, governmental restrictions, regulations, or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond such party's reasonable control ("Force Majeure"), the performance of such act shall be excused for a period equal to the period of prevention or delay. A party's financial inability to perform its obligations shall in no event constitute Force Majeure. Nothing in this Paragraph 11.14 shall excuse or delay Tenant's obligation to pay any rent or other charges due under this Lease.

**11.15 Limitation On Liability.** Landlord's partners, directors, officers, shareholders, trustees or beneficiaries, shall not be liable to Tenant for any damage to or loss of personal property in, or to any personal injury occurring in, the Premises. Landlord shall not be liable to Tenant for any damage to or loss of personal property in, or to any personal injury occurring in, the Premises unless such damage, loss or injury is the result of the gross negligence or willful misconduct of Landlord or its agents as determined by a final non-appealable judicial proceeding. The obligations of Landlord under this Lease do not constitute personal obligations of the individual partners, directors, officers, shareholders, trustees or beneficiaries of Landlord, and Tenant shall not seek recourse against the partners, directors, officers, shareholders, trustees or beneficiaries of Landlord, or any of their personal assets for satisfaction of any liability with respect to this Lease. In the event of any default by Landlord under this Lease, Tenant's sole and exclusive remedy shall be against Landlord's interest in the Property and Tenant's damages shall not include consequential, special, exemplary or punitive damages.

**11.16 Notice of Landlord's Default.** The failure by Landlord to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Landlord shall not constitute a default by Landlord unless such failure shall continue for a period of more than thirty (30) days after written notice thereof from Tenant to Landlord specifying Landlord's default; provided, however, that if the nature of Landlord's default is such that more than thirty (30) days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord commences such cure within said thirty (30) day period and diligently prosecutes such cure to completion. Tenant shall, simultaneously with delivery to Landlord, provide written notice specifying the Landlord default to the holder of any first mortgage or deed of trust covering the Premises whose name and address have been furnished to Tenant in writing.

**11.17 Lease not to be Recorded.** Tenant agrees that it will not record this Lease or any memorandum thereof.

**11.18 Security Deposit.** Upon the execution and delivery of this Lease, Tenant shall pay to Landlord the Security Deposit, which shall be held as security for Tenant's performance as herein provided and refunded to Tenant at the end of the Term subject to Tenant's satisfactory compliance with the conditions hereof. The Security Deposit may be commingled with other funds of Landlord and no interest shall accrue thereon or be payable by Landlord with respect to the

Security Deposit. If all or any part of the Security Deposit is applied to an obligation of Tenant hereunder, Tenant shall immediately upon request by Landlord restore the Security Deposit to its original amount.

**11.19 Guaranty of Lease.** N/A.

**11.20 OFAC.** Neither Tenant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

**11.21 Confidentiality.** Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the Building and may impair Landlord's relationship with other tenants of the Building. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Lease to any other person or entity without the prior written consent of Landlord which may be given or withheld by Landlord, in Landlord's sole discretion. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach.

**11.22 HIPAA Confidentiality.** Tenant is a health care provider that owns and operates licensed home health care agencies and other providers of health care items and services. In connection with the operation of its business, Tenant electronically transmits Protected Health Information ("PHI"), as defined in the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended from time to time ("HIPAA"). As such, Tenant is a "Covered Entity" within the meaning of HIPAA. Landlord and Tenant acknowledge that Tenant has certain obligations with regard to the PHI of its customers, including PHI located at and within the Premises.

The parties agree that neither Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI located at and within the Premises. However, in the event PHI is disclosed by Tenant or its agents to Landlord, its contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and agrees to take reasonable steps to require its contractors, subcontractors, and agents to maintain, as the case may be, the privacy, security and confidentiality of such PHI. Landlord agrees to promptly notify Tenant upon learning of any disclosure of PHI to Landlord or Landlord's contractors, subcontracts or agents. Landlord agrees to take reasonable steps to mitigate any adverse consequences of the disclosure.

The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined by HIPAA.



IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, which includes the cover sheet, the foregoing Standard Provisions, Additional Provisions, if any, and Exhibits attached to this Lease, with the intent that each of the parties shall be legally bound thereby and that this Lease shall become effective as of the Date of Lease.

TENANT:

**MAXIM HEALTHCARE SERVICES, INC.**

By: Shannon Singleton  
Shannon Singleton, Assistant Controller

Date: 2/24/16

LANDLORD:

**SUN LIFE ASSURANCE COMPANY OF CANADA**

By: Deborah Throne

Name: Deborah Throne  
Authorized Signer

Title: \_\_\_\_\_

By: John Mulvihill

Name: John Mulvihill  
Authorized Signer

Title: \_\_\_\_\_

Date: 2/29/16

### PART III ADDITIONAL PROVISIONS

The following provisions ("Additional Provisions") identified below and attached and/or set forth below are included as part of the Lease between Landlord and Tenant. Capitalized terms used in any of the Additional Provisions and not otherwise defined shall have the meanings given such terms in Part I and Part II of this Lease. Unless express reference is made to a provision in Part I and Part II of this Lease for the purpose of modifying such provision, in the event of any conflict between the Additional Provisions and the provisions of Part I and Part II of this Lease, the provisions contained in Parts I and II shall control.

1. **Parking.** Tenant shall be permitted to use 3.7 unreserved vehicular parking stalls per 1,000 rentable square feet in the Premises, from time to time, in the parking area or areas (the "Parking Area") associated with the Building, all during the initial Term and any Renewal Term without charge. Tenant's use of such space remains subject to such terms, conditions and regulations as are from time to time charged or applicable to patrons of the Parking Area.

2. **Biohazardous Materials.** Notwithstanding the provisions of Section 7.7 of the Lease, Tenant shall be permitted to make use of such materials as are required to be used in the normal course of Tenant's business, provided that Tenant must strictly comply with all applicable Laws related to hazardous and biohazard materials. Tenant shall be solely responsible for the proper storage, removal, disposal and remediation of such materials, and for any cleanup of any contamination caused by Tenant. By way of example, Tenant may store flu vaccine in the Premises during flu season (August through December). Flu vaccines are deemed to be a "biohazardous" material.

3. **Renewal Option.** Provided that at the time such option is exercised and at the expiration of the initial term, (i) Tenant has never been in default under the Lease beyond applicable grace periods, and is not then in default under the Lease beyond any applicable grace period, (ii) Tenant has not assigned this Lease or sublet the Premises, (iii) Tenant continues to occupy the Premises, (iv) Tenant's use is consistent with the general quality of the tenants and uses in the complex, and (v) Tenant's financial statements indicate a net worth at least as high as on the date of this Lease, Tenant shall have the option ("Renewal Option") to renew the term of this Lease for one (1) additional five (5) year term ("Renewal Term") on the same terms and conditions as are contained in this Lease, except that the Base Rent (including annual increases) for the Renewal Term shall be the then "Fair Market Rent" for the Premises, determined as set forth below. The term "Fair Market Rent" shall mean the rent (including annual increases) that a tenant would pay upon leasing space similar to the Premises in a comparable building in Brentwood, Tennessee, taking into consideration such factors as the amount of net rentable space leased; the length of the lease in question; the value of the leasehold improvements existing in the Premises, the suitability of the continued use of the improvements, and the resulting cost savings to Tenant; escalations in Base Rent over the term of the lease that are being included in comparable leases, in comparable buildings for comparable spaces; appropriate inducements and concessions then being included in such comparable leases for preparation of comparable space, including but not limited to so-called free or abated rents; the location and quality of the Building as compared to comparable buildings; and the credit standing of Tenant. In order to exercise the Renewal Option, Tenant must give to Landlord written notice of Tenant's intent to enter negotiations with Landlord no

less than six (6) months, nor more than twelve (12) months, prior to the expiration of the initial term. Upon receipt of Tenant's written notice, Landlord and Tenant shall negotiate in good faith to reach agreement on the "Fair Market Rent" for the Premises for the Renewal Term. If, however, Tenant and Landlord are unable to reach agreement on a "Fair Market Rent" for the Premises within ninety (90) days after Landlord's receipt of Tenant's written notice, then Landlord shall be deemed to have fulfilled its obligations hereunder, and the Renewal Option shall be deemed to have expired and terminated.

4. **Competitive Tenants.** So long as no Event of Default has occurred hereunder, and Maxim Healthcare Services, Inc. or a Permitted Transferee remains the occupant of the Premises, Landlord shall not lease space in the Building to (i) Parrallon or (ii) Aerotek, Inc.

5. **Lockbox.** Landlord, at Tenant's expense, shall install a lockbox on the exterior of the Building, accessible at all hours, to permit Tenant's nurses to drop off their written notes and time sheets every week to the office. Tenant shall not use the lockbox for medicines, medical supplies or medical waste, but solely as a depository for paperwork. The size, design and appearance of the lockbox shall be substantially as shown on **Exhibit D** attached hereto.

6. **Cap on Controllable Expenses.** Notwithstanding the provisions of Section 3.2 of the Lease, Tenant's obligation to reimburse Landlord for increases in Controllable Operating Expenses shall not increase more than seven percent (7%) per annum on a cumulative and compounded basis. "Controllable Operating Expenses" shall mean those Operating Expenses within Landlord's reasonable control and shall exclude, e.g., Taxes, utilities and insurance premium.

7. **Relocation of Tenant.** During the initial term of this Lease and any renewals thereof, Landlord shall not have the right to relocate Tenant from the Premises so long as Tenant leases an entire floor of the Building. If, during the initial term of this Lease and any renewals thereof, Tenant decreases the size of the Premises by any amount, Landlord may, at its option and sole cost and expense, relocate Tenant from the present Premises in the Building to other premises in the Building ("New Premises"). Insofar as reasonably possible, the New Premises shall be of comparable or greater size, comparable or greater improvements, and shall have a configuration substantially similar to the Premises; provided, however, that: (a) Tenant's rent shall not increase above the current monthly Base Rent being paid by Tenant at the time of such relocation if the New Premises are larger than the present Premises; and (b) if the New Premises are smaller than the present Premises, Tenant's monthly Base Rent shall be decreased based on the smaller square footage of the New Premises. If a relocation occurs as set forth herein, all Annual Base Rent shall continue to be calculated at the per square foot rate set forth in this Lease. Landlord shall give Tenant at least forty five (45) days advance written notice of its intention to relocate Tenant; and, Landlord shall pay the cost of moving Tenant to the New Premises including, but not limited to: (a) relocation of telephone and data service including all cabling and data drops to be installed in the New Premises and removal of cabling and/or data drops from the present Premises, if required; (b) all costs of construction and materials to build-out the New Premises; (c) all costs of moving Tenant's furniture, fixtures and equipment; and (d) reasonable costs of the replacement of stationery, marketing materials and business cards. Upon the delivery of the New Premises to Tenant, the New Premises shall become the Premises; and Landlord shall prepare, and Tenant shall execute, an amendment to

this Lease confirming the lease to Tenant of the New Premises. This Lease shall continue in full force and effect as to the New Premises as the Premises.

8. **Landlord Contingency.** Landlord's obligations under this Lease shall be contingent upon the current tenant of the Premises vacating the Premises and terminating its lease no later than February 19, 2016. Either Landlord or Tenant may terminate this Lease by notice to the other if the Premises is not fully vacated and the existing lease terminated by February 19, 2016.

9. **Landlord Representations.** Landlord represents that, to the actual knowledge of Landlord's asset manager for the Building:

(a) There are no hazardous materials in, on, or under the Premises or the Building in violation of applicable environmental laws (and Landlord to indemnify Tenant for any pre-existing environmental law violations); and

(b) The Building is currently assessed for real estate tax purposes without any existing exemptions or abatements.

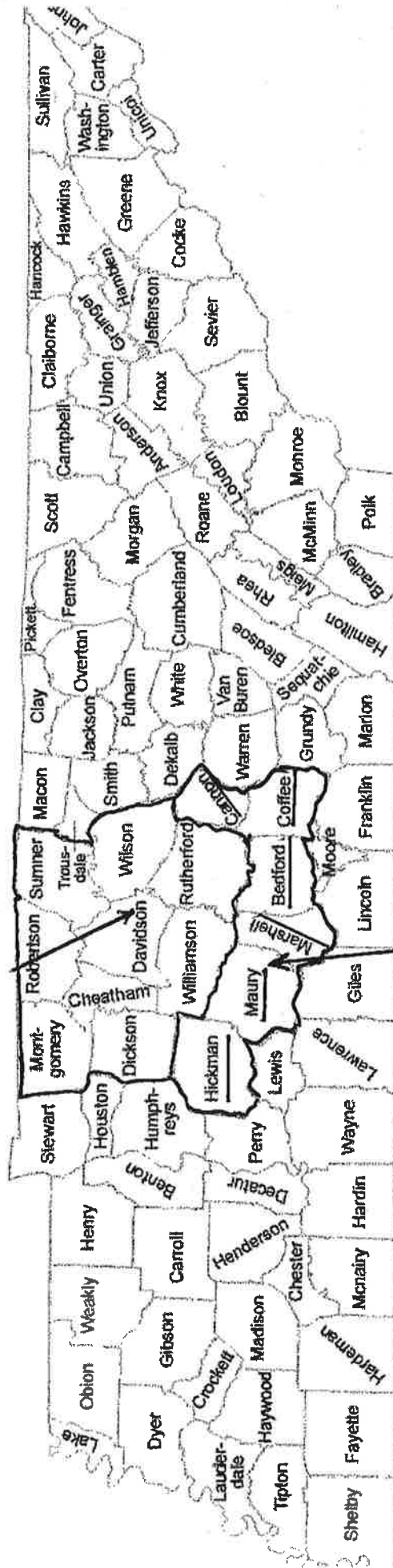
10. **Landlord Covenant.** Landlord agrees that, at the time the Premises is delivered to Tenant, all Building systems servicing the Premises shall be in good working order.

**B-Need-3**

**Service Area Map**

MAXIM HEALTHCARE SERVICES  
CURRENT AND PROPOSED SERVICE AREA COUNTIES

NINE CURRENT COUNTIES



SIX PROPOSED NEW COUNTIES

## **B-Economic Feasibility--2**

### **Documentation of Funding/Financing Availability**



March 12, 2018

Melanie Hill, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: Maxim Healthcare Services Expansion Application

Dear Mrs. Hill:

Maxim Healthcare Services, Inc. is applying for Certificate of Need approval to expand its Middle Tennessee home health agency service area by the addition of seven counties.

As the Regional Controller of Maxim Healthcare Services, Inc., the owner of the applicant agency, I am writing to confirm that Maxim will provide the approximately \$90,000 of capital expenditures needed to implement this project.

Maxim Healthcare Services, Inc.'s financial statements are provided in the application to document the company's ability to fund this expense.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert Teaff", written over a horizontal line.

Robert Teaff  
Regional Controller

## **B-Economic Feasibility-6A**

### **Applicant's Financial Statements**

# Nashville and Clarksville 2017 P&L (Clarksville is branch of Nashville Parent)



**0007 - Nashville**  
**Final Profit & Loss Statement**  
**Core Services for the One Month Ended December 31, 2017**  
**Actuals**

		December 2017	Ratio	November 2017	Ratio	December 2017 YTD	Ratio
60020	Accrued Revenue (Unbilled)	21,907.73	1.65%	-	0.00%	21,907.73	0.17%
60050	Revenue - Patient Care	1,307,704.94	98.32%	1,034,149.42	100.18%	13,075,597.39	99.88%
60075	Revenue - Medicare	-	0.00%	(400.00)	-0.04%	(600.00)	0.00%
60400	Sales Adjustments	177.08	0.01%	-	0.00%	(5,174.19)	-0.04%
60408	Sales Adjustment Provision	255.21	0.02%	(1,142.69)	-0.11%	(152.67)	0.00%
61000	Contractual Allowances/Discounts	-	0.00%	(356.10)	-0.04%	(205.57)	0.00%
Tot_Sales	Revenue	\$ 1,330,044.94	100.00%	\$ 1,032,240.63	100.00%	\$ 13,091,371.89	100.00%
70100	Direct Labor	512,924.75	38.58%	479,821.37	46.48%	6,055,671.29	46.26%
70110	Direct Labor - Vacation	2,207.55	0.17%	13,509.31	1.31%	136,444.81	1.04%
70125	External Direct Labor OT	119,862.27	9.01%	116,787.52	11.31%	1,423,318.27	10.87%
70145	MMC In-Service	2,788.72	0.21%	2,026.43	0.20%	26,199.31	0.20%
70170	External Bonus Pay	800.00	0.05%	1,100.00	0.11%	11,800.49	0.09%
70200	Accrued Direct Labor	178,273.93	13.40%	-	0.00%	25,914.05	0.20%
70300	FICA - Direct Labor	47,402.74	3.56%	45,410.61	4.40%	569,338.38	4.34%
70400	SUTA - Direct Labor	512.20	0.04%	437.59	0.04%	7,851.77	0.06%
70500	FUTA - Direct Labor	483.79	0.03%	459.24	0.04%	12,129.32	0.09%
70800	Workers Compensation Expense	38,949.99	2.93%	30,662.23	2.97%	382,859.02	2.82%
70850	G/P Liability Expense	9,348.00	0.70%	7,358.94	0.71%	91,886.19	0.70%
70808	External Benefit Allocation	17,264.78	1.30%	13,716.54	1.33%	186,949.14	1.29%
70810	Medical Supplies	491.57	0.04%	1,168.18	0.11%	14,510.89	0.11%
70860	Background Service Checks - Ext	2,439.15	0.19%	2,527.09	0.24%	34,108.84	0.26%
71201	TN Contract Travel Allowance	-	0.00%	-	0.00%	3.00	0.00%
71600	Nurse Mileage	-	0.00%	-	0.00%	308.00	0.00%
77000	Medical Waste	82.74	0.01%	158.86	0.02%	859.19	0.01%
77010	Awards and Recognition Program	362.19	0.03%	-	0.00%	1,526.48	0.01%
COGS	COGS	\$ 933,974.37	70.22%	\$ 715,143.91	69.28%	\$ 8,962,687.24	68.48%
Gross_Margin	Gross Profit	\$ 396,070.57	29.78%	\$ 317,096.72	30.72%	\$ 4,128,684.45	31.54%
80100	Rent Expense	14,558.78	1.09%	14,558.78	1.41%	173,693.53	1.33%
80250	Telephone	2,669.55	0.20%	1,930.85	0.19%	21,291.80	0.16%
80350	Equipment Rental	361.71	0.03%	361.71	0.04%	3,810.67	0.03%
80400	Office Supplies	2,856.12	0.21%	3,715.26	0.36%	30,260.99	0.23%
80450	Postage	-	0.00%	-	0.00%	817.89	0.01%
80470	Overnight Mail	311.78	0.02%	295.09	0.03%	2,268.90	0.02%
80490	Record Storage	77.20	0.01%	136.58	0.01%	1,818.18	0.01%
80600	Promotionals	521.78	0.04%	-	0.00%	3,292.61	0.03%
80820	Conventions	-	0.00%	-	0.00%	61.11	0.00%
80830	Job Fairs	-	0.00%	-	0.00%	69.56	0.00%
80840	Nurse Recruitment Expense	-	0.00%	-	0.00%	150.00	0.00%
80850	Advertising	-	0.00%	-	0.00%	270.80	0.00%
80870	Internet Recruitment Expense	-	0.00%	-	0.00%	843.18	0.01%
81272	Other Employee Benefits	-	0.00%	-	0.00%	2,061.94	0.02%
81050	Office Salaries/Wages	73,340.52	5.51%	68,558.18	6.64%	817,909.62	6.25%
81053	Office OT Wages	783.25	0.06%	818.73	0.08%	7,374.11	0.06%
81060	Time Off - Office Non Exempt	1,226.48	0.09%	1,650.52	0.16%	15,938.16	0.12%
81070	Salary Allocations	300.00	0.02%	300.00	0.03%	(250.00)	0.00%
81085	Bonuses	-	0.00%	38,991.09	3.58%	183,843.94	1.40%
81090	Accrued Internal Payroll	24,312.86	1.83%	-	0.00%	3,999.51	0.03%
81086	Commissions	13,011.44	0.98%	13,758.39	1.33%	189,506.60	1.44%
81100	Office FICA	5,531.55	0.42%	6,443.36	0.62%	80,448.37	0.61%
81150	Office SUTA	39.25	0.00%	38.75	0.00%	540.76	0.00%
81200	Office FUTA	39.21	0.00%	44.14	0.00%	828.20	0.01%
81210	Office Workers' Comp Exp	840.64	0.06%	911.81	0.09%	9,144.18	0.07%
81275	Internal Benefit Allocation	9,460.00	0.71%	8,600.00	0.83%	92,880.00	0.71%
80700	Local Travel - Auto	4,587.78	0.34%	821.29	0.08%	26,071.93	0.20%
80750	Distance Travel	-	0.00%	590.11	0.06%	468.37	0.00%
80810	Meals - 50% Tax Deduction	-	0.00%	10.00	0.00%	42.63	0.00%
80820	Meals/Entertainment 100% Tax Deductible	2,337.95	0.18%	148.16	0.01%	3,925.24	0.03%
80890	Regional Meetings	2,128.79	0.16%	-	0.00%	2,128.79	0.02%
81000	Education & Training	-	0.00%	-	0.00%	575.35	0.00%
81330	Computer Equipment Expense	348.92	0.03%	1,968.28	0.19%	5,062.96	0.04%
83150	Legal Services	-	0.00%	-	0.00%	11,000.00	0.08%
83200	Professional Services	100.60	0.01%	100.40	0.01%	2,575.82	0.02%
83000	Dues and Subscriptions	-	0.00%	1,325.00	0.13%	1,570.00	0.01%
81300	Depreciation Expense	1,550.41	0.12%	1,634.77	0.16%	21,110.15	0.16%
81310	Amortization Expense	52.40	0.00%	52.40	0.01%	593.09	0.00%
81400	Taxes & Licenses	(810.00)	-0.06%	810.00	0.08%	2,284.00	0.02%
81420	Property Taxes	731.00	0.05%	-	0.00%	731.00	0.01%
81430	Sales and Use Tax Expense	-	0.00%	-	0.00%	2,005.00	0.02%
Operating_Exp	Total Operating Expenses	\$ 161,269.97	12.13%	\$ 166,389.65	16.12%	\$ 1,721,802.84	13.15%
Operating_Income	Net Income from Operations	\$ 234,800.60	17.65%	\$ 150,727.07	14.60%	\$ 2,406,881.61	18.39%



**0007 - Nashville**  
**Final Profit & Loss Statement**  
 Core Services for the One Month Ended December 31, 2017  
 Actuals

		December 2017	Ratio	November 2017	Ratio	December 2017 YTD	Ratio
81600	Doubtful A/R Expense	(3,596.82)	-0.27%	4,748.51	0.46%	(46,426.53)	-0.35%
81620	Bad Debt Recoveries	-	0.00%	-	0.00%	(88.00)	0.00%
81625	Bad Debt Recovery - PPS	(97.66)	-0.01%	-	0.00%	(107.12)	0.00%
81630	Bad Debt Write-Offs	(30.08)	0.00%	3,567.03	0.35%	47,028.78	0.36%
81650	Repayments	83.55	0.01%	-	0.00%	83.55	0.00%
Tot_Oth_Exp	Total Other Expenses	\$ (3,583.01)	-0.27%	\$ 8,313.54	0.81%	\$ 490.68	0.00%
Net_Income	Net Income Before Allocations	\$ 238,363.51	17.92%	\$ 142,413.53	13.80%	\$ 2,408,390.93	18.38%
90000	Cost of Capital	3,656.01	0.27%	3,636.58	0.35%	43,080.43	0.33%
90010	Reg Support - Allocation	14,105.41	1.08%	18,288.37	1.77%	171,640.70	1.31%
90025	Corp Support - Allocation	(820.21)	-0.06%	70,381.17	6.82%	748,799.42	5.72%
Final_Alloc	Final Allocations	\$ 16,941.21	1.27%	\$ 92,264.12	8.94%	\$ 863,600.55	7.36%
NI_After_Alloc	Net Income After Allocations	\$ 221,442.40	16.65%	\$ 50,149.41	4.86%	\$ 1,442,890.38	11.02%



0485 - Clarksville, TN  
Final Profit & Loss Statement  
Core Services for the One Month Ended December 31, 2017  
Actuals

		December 2017	Ratio	November 2017	Ratio	December 2017 YTD	Ratio
60020	Accrued Revenue (Unbilled)	9,333.93	1.21%	-	0.00%	9,333.93	0.12%
60035	Revenue - Wellness	-	0.00%	-	0.00%	5,340.50	0.07%
60050	Revenue - Patient Care	759,862.96	98.73%	613,877.44	99.99%	7,787,116.97	99.84%
60400	Sales Adjustments	-	0.00%	-	0.00%	(1,734.84)	-0.02%
60408	Sales Adjustment Provision	476.38	0.06%	39.76	0.01%	(408.61)	-0.01%
60415	Discounts -- UCR	-	0.00%	-	0.00%	9.03	0.00%
<b>Tot_Sales</b>	<b>Revenue</b>	<b>\$ 769,673.27</b>	<b>100.00%</b>	<b>\$ 613,917.20</b>	<b>100.00%</b>	<b>\$ 7,789,656.96</b>	<b>100.00%</b>
70100	Direct Labor	287,132.10	37.31%	285,063.79	46.43%	3,561,443.00	45.66%
70110	Direct Labor - Vacation	1,990.07	0.26%	296.64	0.05%	62,518.35	0.80%
70125	External Direct Labor OT	74,264.79	9.65%	65,882.67	10.73%	853,453.59	10.94%
70135	Direct Labor - Wellness	-	0.00%	-	0.00%	250.00	0.00%
70140	Direct Labor Allocations	125.00	0.02%	(148.88)	-0.02%	(130.65)	0.00%
70145	MMC In-Service	604.24	0.08%	878.14	0.14%	14,741.33	0.19%
70170	External Bonus Pay	429.39	0.06%	86.36	0.01%	3,098.33	0.04%
70200	Accrued Direct Labor	103,748.88	13.48%	-	0.00%	13,142.91	0.17%
70300	FICA - Direct Labor	27,396.85	3.56%	26,424.52	4.30%	335,454.08	4.30%
70400	SUTA - Direct Labor	312.91	0.04%	276.88	0.05%	5,834.33	0.07%
70500	FUTA - Direct Labor	256.39	0.03%	219.02	0.04%	7,609.98	0.10%
70800	Workers Compensation Expense	22,316.15	2.90%	17,610.38	2.87%	224,831.43	2.88%
70850	G/P Liability Expense	5,355.87	0.70%	4,228.49	0.69%	53,959.55	0.69%
70740	Wellness Vaccine Expense	-	0.00%	209.85	0.03%	1,438.36	0.02%
70808	External Benefit Allocation	6,083.61	0.79%	5,080.30	0.83%	82,720.65	1.08%
70810	Medical Supplies	1,205.27	0.16%	1,285.82	0.21%	15,689.50	0.20%
70880	Background Service Checks - Ext	3,283.47	0.43%	944.00	0.15%	21,021.68	0.27%
71800	Nurse Mileage	-	0.00%	58.30	0.01%	2,178.11	0.03%
77000	Medical Waste	293.70	0.04%	27.58	0.00%	1,645.55	0.02%
77010	Awards and Recognition Program	-	0.00%	109.50	0.02%	904.62	0.01%
<b>COGS</b>	<b>COGS</b>	<b>\$ 534,799.57</b>	<b>69.48%</b>	<b>\$ 408,533.36</b>	<b>66.55%</b>	<b>\$ 5,261,604.70</b>	<b>67.48%</b>
<b>Gross_Margin</b>	<b>Gross Profit</b>	<b>\$ 234,873.70</b>	<b>30.52%</b>	<b>\$ 205,383.84</b>	<b>33.45%</b>	<b>\$ 2,528,052.28</b>	<b>32.54%</b>
80100	Rent Expense	1,743.70	0.23%	1,743.70	0.28%	20,772.06	0.27%
80150	Lease Expense (Utilities, etc.)	1,360.28	0.18%	1,803.25	0.26%	22,282.57	0.29%
80250	Telephone	1,928.71	0.25%	1,288.16	0.21%	15,213.04	0.20%
80350	Equipment Rental	161.56	0.02%	161.56	0.03%	1,995.96	0.03%
80400	Office Supplies	1,851.07	0.24%	1,145.18	0.19%	17,797.78	0.23%
80450	Postage	-	0.00%	-	0.00%	3,004.93	0.04%
80470	Overnight Mail	129.82	0.02%	98.78	0.02%	1,352.20	0.02%
80490	Record Storage	103.89	0.01%	101.24	0.02%	1,217.53	0.02%
80820	Conventions	-	0.00%	-	0.00%	61.11	0.00%
80850	Advertising	-	0.00%	-	0.00%	220.50	0.00%
80670	Internet Recruitment Expense	-	0.00%	-	0.00%	100.00	0.00%
81272	Other Employee Benefits	563.00	0.07%	-	0.00%	1,245.98	0.02%
81050	Office Salaries/Wages	48,831.29	6.34%	46,980.68	7.65%	578,820.92	7.42%
81053	Office OT Wages	3,380.02	0.44%	2,098.26	0.34%	23,401.83	0.30%
81060	Time Off - Office Non Exempt	298.80	0.04%	1,248.96	0.20%	15,995.48	0.21%
81070	Salary Allocations	-	0.00%	-	0.00%	(5,000.00)	-0.06%
81085	Bonuses	-	0.00%	15,716.23	2.56%	80,210.97	1.03%
81090	Accrued Internal Payroll	14,256.08	1.85%	-	0.00%	(300.13)	0.00%
81086	Commissions	1,113.82	0.14%	1,299.58	0.21%	16,072.73	0.21%
81100	Office FICA	3,740.33	0.49%	5,082.40	0.82%	53,365.84	0.68%
81150	Office SUTA	33.43	0.00%	38.35	0.01%	538.20	0.01%
81200	Office FUTA	25.07	0.00%	43.46	0.01%	861.46	0.01%
81210	Office Workers' Comp Exp	501.14	0.07%	505.08	0.08%	5,359.28	0.07%
81275	Internal Benefit Allocation	5,590.00	0.73%	5,590.00	0.91%	61,490.00	0.78%
80700	Local Travel - Auto	3,348.10	0.44%	2,586.89	0.42%	22,379.99	0.29%
80750	Distance Travel	-	0.00%	-	0.00%	117.24	0.00%
80810	Meals - 50% Tax Deduction	-	0.00%	-	0.00%	23.75	0.00%
80820	Meals/Entertainment 100% Tax Deductible	102.95	0.01%	929.21	0.15%	2,317.58	0.03%
81330	Computer Equipment Expense	(220.46)	-0.03%	289.37	0.05%	371.00	0.00%
83200	Professional Services	-	0.00%	-	0.00%	503.33	0.01%
83000	Dues and Subscriptions	-	0.00%	378.00	0.06%	736.00	0.01%
81300	Depreciation Expense	2,999.93	0.39%	3,029.87	0.49%	37,799.38	0.48%
81310	Amortization Expense	52.41	0.01%	52.41	0.01%	593.20	0.01%
81400	Taxes & Licenses	310.07	0.04%	293.34	0.05%	4,408.06	0.06%
81420	Property Taxes	685.00	0.09%	-	0.00%	685.00	0.01%
81430	Sales and Use Tax Expense	-	0.00%	-	0.00%	2,036.00	0.03%
<b>Operating_Exp</b>	<b>Total Operating Expenses</b>	<b>\$ 92,890.01</b>	<b>12.07%</b>	<b>\$ 82,263.86</b>	<b>13.48%</b>	<b>\$ 988,008.77</b>	<b>12.67%</b>
<b>Operating_Income</b>	<b>Net Income from Operations</b>	<b>\$ 141,983.69</b>	<b>18.45%</b>	<b>\$ 113,119.88</b>	<b>18.43%</b>	<b>\$ 1,550,043.51</b>	<b>19.87%</b>
81600	Doubtful A/R Expense	(12,520.89)	-1.63%	8,824.28	1.44%	74,187.21	0.95%
81620	Bad Debt Recoveries	-	0.00%	-	0.00%	(613.80)	-0.01%



**0485 - Clarksville, TN**  
**Final Profit & Loss Statement**  
**Core Services for the One Month Ended December 31, 2017**  
**Actuals**

		December 2017	Ratio	November 2017	Ratio	December 2017 YTD	Ratio
81825	Bad Debt Recovery - PPS	(57.84)	-0.01%	(4.44)	0.00%	(189.57)	0.00%
81830	Bad Debt Write-Offs	3,247.81	0.42%	26,126.34	4.26%	51,488.17	0.66%
81850	Repayments	73.80	0.01%	-	0.00%	114.84	0.00%
Tot_Oth_Exp	Total Other Expenses	\$ (9,257.12)	-1.20%	\$ 34,946.16	5.69%	\$ 124,976.65	1.60%
Net_Income	Net Income Before Allocations	\$ 151,240.81	19.65%	\$ 78,173.72	12.73%	\$ 1,425,066.66	18.27%
90000	Cost of Capital	2,551.93	0.33%	2,878.82	0.47%	31,399.35	0.40%
90010	Reg Support - Allocation	8,274.17	1.08%	11,830.74	1.93%	113,005.34	1.45%
90025	Corp Support - Allocation	(484.87)	-0.06%	45,734.76	7.45%	496,144.58	6.36%
Final_Alloc	Final Allocations	\$ 10,341.43	1.34%	\$ 60,444.12	9.85%	\$ 640,649.27	8.21%
NI_After_Alloc	Net Income After Allocations	\$ 140,899.38	18.31%	\$ 17,729.60	2.88%	\$ 784,617.59	10.06%



# **Maxim Healthcare Services, Inc. and Subsidiaries**

**Consolidated Financial Statements  
(Unaudited)**

**For the Quarter Ended**

**December 31, 2017**



**Maxim Healthcare Services, Inc and Subsidiaries**  
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**For the Quarter Ended December 31, 2017**

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**Maxim Healthcare Services, Inc.  
and Subsidiaries  
Comparative Consolidated Balance Sheets**

	<b>December 31, 2017 Consolidated</b>	<b>December 31, 2016 Consolidated</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 6,620,065	\$ 7,101,885
Accounts receivable, net of allowance for doubtful accounts	221,059,412	224,844,035
Prepaid expenses	5,931,452	5,199,773
Other current assets	5,002,914	3,991,829
Total current assets	<u>238,613,843</u>	<u>241,137,522</u>
<b>FIXED ASSETS:</b>		
Equipment and information systems	71,350,653	68,835,372
Furniture and fixtures	12,454,901	11,654,490
Leasehold improvements	8,645,332	7,803,828
Total fixed assets	<u>92,450,886</u>	<u>88,293,690</u>
Less - accumulated depreciation	<u>76,640,234</u>	<u>70,571,505</u>
Fixed assets, net	<u>15,810,652</u>	<u>17,722,185</u>
<b>OTHER ASSETS:</b>		
Less - accumulated amortization	<u>22,804,369</u>	<u>24,899,236</u>
Other assets, net	<u>9,985,631</u>	<u>10,072,427</u>
	<u>12,818,738</u>	<u>14,826,809</u>
Total assets	<u>\$ 267,243,233</u>	<u>\$ 273,686,516</u>
<b>LIABILITIES and STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Bank overdraft	\$ 1,009,742	\$ 2,963,527
Accounts payable	3,983,550	4,662,938
Accrued compensation and related costs	62,915,416	62,619,655
Due to affiliate	249,222	454,385
Deferred compensation	1,975,139	2,905,867
Other accrued expenses	41,404,472	48,794,009
Credit facility	58,425,867	45,019,200
Total current liabilities	<u>169,963,408</u>	<u>167,419,581</u>
<b>NONCURRENT LIABILITIES:</b>		
Other accrued expenses	576,250	61,780,976
Deferred compensation	42,979,464	28,116,353
Total liabilities	<u>213,519,122</u>	<u>257,316,910</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock	3,761	3,761
Additional paid-in-capital	556,175	556,175
Retained earnings	55,426,922	18,072,417
Stockholder tax advances	<u>(2,262,747)</u>	<u>(2,262,747)</u>
Total stockholders' equity	<u>53,724,111</u>	<u>16,369,606</u>
Total liabilities and stockholders' equity	<u>\$ 267,243,233</u>	<u>\$ 273,686,516</u>

**Maxim Healthcare Services, Inc.  
and Subsidiaries  
Consolidating Balance Sheet  
as of December 31, 2017**

	Maxim Healthcare Services Inc	Reflection Resources	StaffAssist Workforce Management	Eliminations	Maxim Healthcare Consolidated
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 6,620,065	\$ -	\$ -	\$ -	\$ 6,620,065
Accounts receivable, net of allowance for doubtful accounts	216,717,849	(57,795)	4,399,358	-	221,059,412
Prepaid expenses	5,906,625	22,120	2,707	-	5,931,452
Other current assets	7,978,595	271,355	(271,355)	(2,975,681)	5,002,914
Total current assets	237,223,134	235,680	4,130,710	(2,975,681)	238,613,843
<b>FIXED ASSETS:</b>					
Equipment and information systems	70,917,654	416,893	16,106	-	71,350,653
Furniture and fixtures	12,164,451	289,633	817	-	12,454,901
Leasehold improvements	8,537,968	93,589	13,775	-	8,645,332
Total fixed assets	91,620,073	800,115	30,698	-	92,450,886
Less - accumulated depreciation	75,878,392	739,136	22,706	-	76,640,234
Fixed assets, net	15,741,681	60,979	7,992	-	15,810,652
<b>OTHER ASSETS:</b>					
Less - accumulated amortization	57,089,142	2,332,433	-	(36,617,206)	22,804,369
Other assets, net	7,894,646	2,090,985	-	-	9,985,631
	49,194,496	241,448	-	(36,617,206)	12,818,738
Total assets	\$ 302,159,311	\$ 538,107	\$ 4,138,702	\$ (39,592,887)	\$ 267,243,233
<b>LIABILITIES and STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Bank overdraft	\$ 920,276	\$ 5,000	\$ 84,466	\$ -	\$ 1,009,742
Accounts payable	3,982,265	19	1,266	-	3,983,550
Accrued compensation and related costs	62,786,085	-	129,331	-	62,915,416
Due to affiliates	249,222	-	-	-	249,222
Deferred compensation	1,975,139	-	-	-	1,975,139
Other accrued expenses	38,495,177	928,212	4,956,764	(2,975,681)	41,404,472
Credit facility	58,425,867	-	-	-	58,425,867
Total current liabilities	166,834,031	933,231	5,171,827	(2,975,681)	169,963,408
<b>NONCURRENT LIABILITIES:</b>					
Other accrued expenses	576,250	-	-	-	576,250
Deferred compensation	42,979,464	-	-	-	42,979,464
Total liabilities	210,389,745	933,231	5,171,827	(2,975,681)	213,519,122
<b>STOCKHOLDERS' EQUITY:</b>					
Common stock	8,726	-	-	(4,965)	3,761
Additional paid-in-capital	20,686,953	14,946,985	-	(35,077,763)	556,175
Retained earnings	73,336,634	(15,342,109)	(1,033,125)	(1,534,478)	55,426,922
Stockholder tax advances	(2,262,747)	-	-	-	(2,262,747)
Total stockholders' equity	91,769,566	(395,124)	(1,033,125)	(36,617,206)	53,724,111
Total liabilities and stockholders' equity	\$ 302,159,311	\$ 538,107	\$ 4,138,702	\$ (39,592,887)	\$ 267,243,233

**Maxim Healthcare Services, Inc.  
and Subsidiaries  
Consolidated Statements of Operations**

	<b>Three Months Ended December 31, 2017</b>	<b>Twelve Months Ended December 31, 2017</b>
<b>Revenues</b>	\$ 399,524,726	\$ 1,513,812,366
<b>Operating expenses</b>	<u>388,027,988</u>	<u>1,472,454,467</u>
<b>Income from operations</b>	11,496,738	41,357,899
<b>Interest expense, net of investment income</b>	<u>717,371</u>	<u>2,550,702</u>
<b>Income before provision for income taxes</b>	10,779,367	38,807,197
<b>Provision for income taxes</b>	<u>159,720</u>	<u>700,548</u>
<b>Net income</b>	<u><u>\$ 10,619,647</u></u>	<u><u>\$ 38,106,649</u></u>

**Maxim Healthcare Services, Inc.  
and Subsidiaries**  
**Consolidating Statement of Operations**  
**for the Three Months Ended December 31, 2017**

	<b>Maxim Healthcare Services Inc</b>	<b>Reflectxion Resources</b>	<b>StaffAssist Workforce Management</b>	<b>Maxim Healthcare Consolidated</b>
<b>Revenues</b>	\$ 392,887,144	\$ 37,468	\$ 6,600,114	\$ 399,524,726
<b>Operating expenses</b>	381,319,300	117,044	6,591,644	388,027,988
<b>Income (loss) from operations</b>	11,567,844	(79,576)	8,470	11,496,738
<b>Interest expense, net of investment income</b>	717,479	-	(108)	717,371
<b>Income (loss) before provision for income taxes</b>	10,850,365	(79,576)	8,578	10,779,367
<b>Provision for income taxes</b>	159,720	-	-	159,720
<b>Net income (loss)</b>	\$ 10,690,645	\$ (79,576)	\$ 8,578	\$ 10,619,647

**Maxim Healthcare Services, Inc.  
and Subsidiaries  
Consolidating Statement of Operations  
for the Twelve Months Ended December 31, 2017**

	<b>Maxim Healthcare Services Inc</b>	<b>Reflectxion Resources</b>	<b>StaffAssist Workforce Management</b>	<b>Maxim Healthcare Consolidated</b>
<b>Revenues</b>	\$ 1,491,418,375	\$ 255,369	\$ 22,138,622	\$ 1,513,812,366
<b>Operating expenses</b>	1,449,128,357	1,095,620	22,230,490	1,472,454,467
<b>Income (loss) from operations</b>	42,290,018	(840,251)	(91,868)	41,357,899
<b>Interest expense, net of investment income</b>	2,551,137	-	(435)	2,550,702
<b>Income (loss) before provision for income taxes</b>	39,738,881	(840,251)	(91,433)	38,807,197
<b>Provision for income taxes</b>	700,548	-	-	700,548
<b>Net (loss) income</b>	\$ 39,038,333	\$ (840,251)	\$ (91,433)	\$ 38,106,649





## **Report of Independent Auditor's**

To the Stockholders of  
Maxim Healthcare Services, Inc. and Subsidiaries:

We have audited the accompanying consolidated financial statements of Maxim Healthcare Services, Inc. and its subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Maxim Healthcare Services, Inc. and its subsidiaries at December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PricewaterhouseCoopers LLP*

Baltimore, Maryland  
May 5, 2017

**Maxim Healthcare Services, Inc.  
and Subsidiaries**

**Consolidated Financial Statements  
December 31, 2016 and 2015**

**Maxim Healthcare Services, Inc. and Subsidiaries**  
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**December 31, 2016 and 2015**

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**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Consolidated Balance Sheets (in thousands)**  
**December 31, 2016 and 2015**

	2016	2015
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 7,102	\$ 5,523
Accounts receivable, less allowance for doubtful accounts of \$18,452 and \$15,462 in 2016 and 2015, respectively	224,844	224,265
Prepaid expenses	5,200	4,108
Other current assets	3,992	3,684
Total current assets	241,138	237,580
Property and equipment, net	17,722	13,595
Other assets, net	14,827	16,877
Total assets	<u>\$ 273,687</u>	<u>\$ 268,052</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Bank overdraft	\$ 2,964	\$ 4,007
Accounts payable	4,663	6,505
Accrued compensation and related costs	62,620	55,572
Due to affiliate	454	558
Deferred compensation	2,906	3,549
Other accrued expenses	48,794	24,397
Credit facility	45,019	50,977
Total current liabilities	167,420	145,565
Other accrued expenses	61,781	70,116
Deferred compensation	28,116	24,856
Total liabilities	257,317	240,537
Stockholders' equity		
Common stock	4	4
Additional paid-in capital	556	1,133
Retained earnings	18,073	28,641
Stockholder tax advances	(2,263)	(2,263)
Total stockholders' equity	16,370	27,515
Total liabilities and stockholders' equity	<u>\$ 273,687</u>	<u>\$ 268,052</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Consolidated Statements of Operations (in thousands)**  
**Years Ended December 31, 2016 and 2015**

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	2016	2015
Revenues	\$ 1,486,318	\$ 1,382,869
Operating expenses	1,492,937	1,368,886
Impairment loss	<u>750</u>	<u>-</u>
(Loss) income from operations	(7,369)	13,983
Investment income	251	158
Interest expense	<u>(3,610)</u>	<u>(2,374)</u>
(Loss) income before provision for income taxes	(10,728)	11,767
Benefit (provision) for income taxes	160	(84)
Net (loss) income	<u>\$ (10,568)</u>	<u>\$ 11,683</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Stockholders' Equity (in thousands)**  
**Years Ended December 31, 2016 and 2015**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Stockholder Tax (Advances) Repayments	Total
Balance, December 31, 2014	\$ 4	\$ 1,133	\$ 16,958	\$ (2,268)	\$ 15,827
Repayments of stockholder advances	-	-	-	5	5
Net income	-	-	11,683	-	11,683
Balance, December 31, 2015	<u>\$ 4</u>	<u>\$ 1,133</u>	<u>\$ 28,641</u>	<u>\$ (2,263)</u>	<u>\$ 27,515</u>
Redemption of common stock	-	(577)	-	-	(577)
Net loss	-	-	(10,568)	-	(10,568)
Balance, December 31, 2016	<u>\$ 4</u>	<u>\$ 556</u>	<u>\$ 18,073</u>	<u>\$ (2,263)</u>	<u>\$ 16,370</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows (in thousands)**  
**Years Ended December 31, 2016 and 2015**

	2016	2015
<b>Cash flows from operating activities</b>		
Net (loss) income	\$ (10,568)	\$ 11,683
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation and amortization	8,882	6,919
Amortization of capitalized financing costs	242	149
Deferred taxes	(182)	84
Deferred compensation expense	4,722	3,008
Loss on sale of fixed assets	79	45
Impairment loss	750	-
Bad debt expense	16,574	10,555
Changes in operating assets and liabilities		
(Increase) decrease in:		
Accounts receivable, net	(17,153)	(39,876)
Prepaid expenses	(1,092)	(447)
Other current assets	(308)	508
Other non-current assets	(56)	(28)
(Decrease) increase in:		
Accounts payable	(5,268)	2,453
Accrued compensation and related costs	7,048	8,935
Deferred compensation	(2,105)	(14,090)
Due to affiliate	(104)	466
Other accrued expenses	16,146	(293)
Net cash provided by (used in) operating activities	17,607	(9,929)
<b>Cash flows from investing activities</b>		
Purchases of fixed assets	(8,501)	(10,693)
Increase in other assets	(750)	-
Net cash used in investing activities	(9,251)	(10,693)
<b>Cash flows from financing activities</b>		
Borrowings under credit facility	697,500	616,445
Payments under credit facility	(703,500)	(594,195)
Payments made for financing fees	(200)	(125)
Redemption on common stock	(577)	-
Repayments of stockholder tax advances	-	5
Net cash (used in) provided by financing activities	(6,777)	22,130
Net increase in cash and cash equivalents	1,579	1,508
<b>Cash and cash equivalents</b>		
Beginning of year	5,523	4,015
End of year	\$ 7,102	\$ 5,523
<b>Supplemental cash flow information</b>		
Cash paid for		
Interest	\$ 3,343	\$ 2,153
Taxes	3	14
Non-cash investing activities		
Increase in accrued fixed assets	\$ 2,383	\$ 271

The accompanying notes are an integral part of these consolidated financial statements.

# **Maxim Healthcare Services, Inc. and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **December 31, 2016 and 2015**

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#### **1. Business Description**

Maxim Healthcare Services, Inc. and Subsidiaries (collectively, "Maxim" or the "Company") provides temporary nursing and other medical personnel services to individuals, hospitals, nursing homes and other facilities throughout the United States. In addition, Maxim administers and delivers vaccination and wellness services.

Maxim's wholly-owned subsidiaries include the following: Maxim Health Systems, LLC; Maxim of New York, LLC; Care Focus, Inc.; Maxim Government Services, LLC; Professional Healthcare Associates, LLC; Logix Healthcare Search Partners, LLC; Maxim Physician Resources, LLC; Centrus Premier Home Care, Inc.; Maxim Home Health Resources, LLC; Reflectix Resources II, Inc.; Orbis Clinical, LLC; StaffAssist Workforce Management, LLC; and Maxim Transition Assist, LLC.

The accompanying consolidated financial statements include the accounts of Maxim Healthcare Services, Inc. and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

#### **2. Summary of Significant Accounting Policies and Practices**

##### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("USA").

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the USA requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

##### **Credit Risk**

The Company's accounts receivable are primarily with third-party payor commercial insurance companies, individuals and the Medicare and Medicaid programs. At December 31, 2016 and 2015, the Medicare and Medicaid programs represented approximately \$59.7 million (26%) and \$50.0 million (22%), respectively, of gross accounts receivable balances. Management believes that its concentration of credit risk is limited due to the Company's number of payors as well as their dispersion across geographic regions.

##### **Revenue Recognition**

Services are provided to certain patients covered by third-party payor programs, including various managed care organizations and the Medicare and Medicaid programs. Services are also provided to certain patients on a private pay basis. Revenues are recognized on the accrual basis at the time services are provided and are reported net of provisions for contractual allowances from third-party payors. Sales are also recognized net of allowances for differences between the amounts billed to third party payors and estimated program payment amounts. Adjustments to the estimated payment amounts based on final settlement with the programs are recorded upon settlement as an adjustment to revenue. For services that are billed directly to the patient, the Company records revenues based on the net amount which is reasonably assured of collection at the outset. Revenues associated with unbilled receivables are recognized in the fiscal year that services are provided, so long as the related perfunctory supporting documentation is obtained prior to the financial statement issuance date.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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**Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits and short-term investments with maturities of three months or less.

**Accounts Receivable, Net of Allowance for Doubtful Accounts**

Accounts receivable are reported at net realizable value, net of contractual allowances and allowances for doubtful accounts. The Company has implemented a standardized approach to estimate the impact of such allowances based on a number of factors, including historical collection trends, the aging of accounts, current economic conditions, regulatory changes and payor reimbursement experience. The Company regularly assesses the state of its billing operations in order to identify issues which may impact the collectability of receivables or reserve estimates. Account balances are written off against the allowance when management believes it is probable the receivable will not be recovered.

Total unbilled trade accounts receivable as of December 31, 2016 and 2015 was \$6.9 million and \$28.3 million, respectively.

**Prepaid Expenses**

Prepaid expenses consist primarily of prepayments made on insurance policies and lease obligations.

**Other Current Assets**

Other current assets include receivables due from employees and insurance companies, security deposits and medical supplies and vaccines used to provide wellness services.

**Property and Equipment**

Property and equipment are stated at original cost, net of accumulated depreciation and amortization. Depreciation for all property and equipment other than leasehold improvements is calculated over the estimated useful lives of the assets, ranging from three to five years, using the straight-line method. Amortization of leasehold improvements is calculated using the straight-line method over the shorter of the lease term or the estimated life of the improvements. Property and equipment are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**Other Assets**

The Company accounts for goodwill and indefinite-lived intangible assets in accordance with Financial Accounting Standards Board ("FASB") ASC 350, *Intangible Assets*. The Company elected to adopt the accounting alternative resulting from an amendment of ASC 350 issued in January 2014 and applicable to private companies. Following this accounting alternative, the Company elected to begin amortizing its goodwill and indefinite-lived intangibles on a straight-line basis over 10 years starting January 1, 2014. The accounting alternative requires the Company to make an accounting policy decision to test goodwill for impairment at either the entity level or the reporting unit level. The Company decided to test goodwill for impairment at the entity level. According to the standard, goodwill would be subject to impairment testing only upon the occurrence of a triggering event. The Company will first assess qualitative factors to determine whether a quantitative impairment test is necessary. If a quantitative impairment test is required, a one-step impairment test would be performed. The amount of the impairment would be measured by calculating the difference between the carrying amount of the entity (or reporting unit, as applicable) and its fair value. The Company recorded an impairment loss of \$750 thousand for the year ended December 31, 2016 (see Note 5).

Acquired intangibles, other than goodwill and indefinite-lived intangibles, are stated at original cost, net of accumulated amortization.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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**Capitalized Software Costs**

The Company capitalizes certain internal-use software costs once certain criteria are met. Capitalized costs include external direct costs of materials and services consumed in developing or obtaining internal-use software, payroll costs for employees who are directly involved with the project and interest costs on qualifying expenditures. Capitalization of such costs ceases when the project is substantially complete and ready for its intended purpose. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the underlying system. Preliminary project activities, training and post-implementation activities, such as maintenance, are expensed as incurred.

**Other Comprehensive Income**

The Company does not have any items of other comprehensive income, other than net income, for the years ended December 31, 2016 and 2015.

**Fair Value Information**

The carrying amounts of cash, accounts receivable, other receivables and accounts payable are considered to be representative of their respective fair values due to their short-term nature. The carrying value of the Company's debt approximates fair value given the variable nature of the interest rate.

**Self-Insurance Reserves**

The Company is self-insured (up to certain limits) for employee medical claims. Reserves are determined based on a number of assumptions and factors, including historical payment trends and claims history. These liabilities are not discounted.

**Share-Based Compensation**

The Company accounts for incentive investment units ("units") granted under its Incentive Investment Plan ("IIP Plan") and stock appreciation rights ("SARs") under its Incentive Appreciation Rights Plan ("SAR Plan") as liability awards. Units granted under the IIP Plan and SAR Plan are valued initially at their intrinsic value, subsequently valued each year end and recognized to expense on a straight-line basis over the service periods of each award (see Note 7).

**Income Taxes**

Maxim has elected to be treated as an S Corporation for federal and state income tax purposes, in most states. As an S Corporation, the individual stockholders report their pro-rata share of the Company's taxable income or loss on their respective individual income tax returns. The Company provides for income taxes in certain states that do not recognize the federal income tax status of S Corporations. The provision for state income taxes will vary based on income earned within these states.

Deferred taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for state tax purposes based on tax laws currently enacted, as the Company prepares its tax returns using the cash method of accounting. The primary components of the Company's deferred tax assets and liabilities at December 31, 2016 and 2015 are accounts receivable, liabilities for its stock-based compensation plans and litigation matters (see Notes 7 and 8) which are not considered material for separate disclosure. The Company has recorded a net non-current deferred tax asset of \$98 thousand associated with these timing differences and available state tax loss carryforwards. As a result of early election of ASC 2015-17, Income Taxes (Topic 740), the Company offset all deferred tax liabilities and assets, as well as any related valuation allowance as described below, and is presenting them as a single non-current amount of \$98 thousand as of December 31, 2016.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2016, due to the Company's cumulative three year income position, management had determined that no valuation allowance was required for the entire net deferred tax asset. As of December 31, 2015, the Company's deferred tax liabilities supported an amount of future taxable income in excess of the deferred tax assets subject to a valuation allowance. Therefore, the Company reversed the valuation allowance recorded in the prior year.

Maxim generated state tax net operating losses ("NOL") as of December 31, 2016 of \$21.0 million, tax effected at approximately \$646 thousand. Any unused state NOLs will begin to expire in 2016.

**Reclassification**

Certain prior year balances have been reclassified to conform to the current year presentation.

**Recent Accounting Pronouncements**

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, Restricted Cash. The new standard requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard is effective for annually reporting periods beginning after December 15, 2017. Early adoption is permitted. The Company is evaluating this standard to determine if adoption will have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments, to clarify guidance on the classification of certain cash receipts and cash payments in the statement of cash flows. The standard is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted. Adoption of this new standard is not expected to have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements. The ASU provides that all of the tax effects related to share-based payments are recorded as part of the provision for income taxes, allows entities to withhold an amount up to the employees' maximum individual tax rate in the relevant jurisdiction, allows entities to estimate the effect of forfeitures or recognized forfeitures when they occur, and other improvements to the accounting for share-based awards. The new standard is effective for annual periods beginning after December 15, 2017. Early adoption is permitted. Adoption of this new standard is not expected to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases. The new standard requires that lessees recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability subject to certain adjustments. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). The new standard is effective for annual periods ending after December 15, 2019. Early adoption is permitted. The Company is evaluating this standard to determine if adoption will have a material impact on the Company's consolidated financial statements.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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The Company early adopted ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes, which requires that deferred income tax liabilities and assets, as well as any related valuation allowance, be classified as a single non-current amount on the balance sheet rather than being separated into current and non-current. As such, the Company reclassified the current deferred taxes to non-current on the December 31, 2015 Consolidated Balance Sheet, eliminating any presentation of offsetting current/non-current deferred tax assets/liabilities.

The Company early adopted ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, which requires debt issuance costs related to a debt liability to be recognized as a direct reduction to the carrying amount of the debt liability. As such, the Company reclassified debt issuance costs totaling \$523 thousand for the year ended December 31, 2015 from Other Assets.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements – Going Concern. The new standard requires management of public and private companies to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and, if so, disclose that fact. Management will also be required to evaluate and disclose whether its plans alleviate that doubt. The new standard is effective for annual periods ending after December 15, 2016. The Company adopted this new standard for the year ended December 31, 2016. Adoption did not have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2018. The Company is evaluating the impact this standard will have on the Combined Financial Statements beginning in fiscal year 2019.

**3. Accounts Receivable, Net of Allowance for Doubtful Accounts**

Changes in the allowance for doubtful accounts during the years ended December 31, 2016 and 2015 consisted of the following (in thousands):

<b>Balance, December 31, 2014</b>	\$ 15,296
Additions	10,721
Write offs, net of recoveries	<u>(10,555)</u>
<b>Balance, December 31, 2015</b>	<u>\$ 15,462</u>
Additions	19,564
Write offs, net of recoveries	<u>(16,574)</u>
<b>Balance, December 31, 2016</b>	<u>\$ 18,452</u>

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

**4. Property and Equipment**

Property and equipment at December 31, 2016 and 2015 consisted of the following (in thousands):

	2016	2015
Computers and office equipment	\$ 68,742	\$ 62,650
Furniture and fixtures	11,654	10,668
Leasehold improvements	7,804	7,415
Vehicles	94	78
Total property and equipment	88,294	80,811
Less - accumulated depreciation and amortization	(70,572)	(67,216)
Property and equipment, net	\$ 17,722	\$ 13,595

Depreciation and amortization expense on property and equipment totaled \$6.7 million and \$4.7 million for the years ended December 31, 2016 and 2015, respectively.

**5. Other Assets**

Other assets at December 31, 2016 and 2015 consisted of the following (in thousands):

	2016	2015
Goodwill	\$ 14,372	\$ 16,426
Other intangible assets	10,470	10,342
Deferred tax asset	98	-
Total other assets	24,940	26,768
Less - accumulated amortization, other intangible assets	(10,113)	(9,891)
Other assets, net	\$ 14,827	\$ 16,877

Amortization expense on other assets totaled \$2.2 million for the years ended December 31, 2016 and 2015. Amortization of goodwill totaled \$2.1 million for the years ended December 31, 2016 and 2015.

Changes in carrying value of certain intangible assets are as follows (in thousands):

	Goodwill	Other intangible assets
<b>Balance, December 31, 2014</b>	\$ 18,480	\$ 10,806
Additions, net	-	28
Amortization	(2,054)	72
Write-offs	-	(492)
<b>Balance, December 31, 2015</b>	16,426	10,414
Additions, net	-	806
Amortization	(2,054)	(41)
Impairment loss	-	(750)
<b>Balance, December 31, 2016</b>	\$ 14,372	\$ 10,429

## **Maxim Healthcare Services, Inc. and Subsidiaries**

### **Notes to Consolidated Financial Statements**

#### **December 31, 2016 and 2015**

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In October 2016, the Company entered into a joint venture (JV) with Veterans Accountable Care Group (VACG), as well as five other entities, in an effort to participate as a prime vendor in a Department of Veterans Affairs request for proposal to provide community care services, among other offerings. Investment in the JV totaled \$750 thousand. At December 31, 2016, there was uncertainty regarding the contract being awarded to the JV. The JV partners were unable to reach consensus on terms for the entity's operating agreement and the Company tendered its termination letter on February 6, 2017. As a result, the Company recorded an impairment loss of \$750 thousand.

#### **6. Credit Facility**

Effective December 30, 2009, the Company executed a credit agreement ("Credit Agreement") with two lenders, each of which provided revolving commitments. The revolving commitments included a revolving line of credit and a letter of credit subfacility. In addition, one of the lenders provided a swingline loan subfacility. The Credit Agreement's original maturity date was December 30, 2010 ("the Maturity Date").

##### **Revolving Lines of Credit**

Under the Credit Agreement, the lenders collectively committed to provide a maximum borrowing of \$40.0 million to the Company in the form of a revolving line of credit. The revolving line of credit was comprised of Alternate Base Rate loans and LIBOR Rate loans. At its option, the Company was able to convert Alternate Base Rate loans to LIBOR Rate loans subject to the provisions of the Credit Agreement. On October 14, 2010, the Maturity Date was extended to March 1, 2011 and subsequently, on March 1, 2011, was extended to March 1, 2012.

Effective September 15, 2011, the Company entered into an agreement to amend and restate ("Agreement") the Credit Agreement. The Agreement included modifications to financial covenants and interest rates and an increase in the maximum allowable indebtedness to \$125.0 million. The Agreement bore interest, at the borrower's election, at either (i) the prime rate plus 3% per annum ("the Alternate Base Rate") or (ii) LIBOR plus 4% per annum ("the LIBOR Rate"). In addition, the amendment included an extension of the Maturity Date to December 30, 2013. This amendment and restatement was accounted for as a modification.

On June 29, 2012, the Company entered into its first amendment to the Agreement. This amendment allowed for waivers for an asset sale as well as for certain deferred compensation payments (see Note 7).

Effective December 19, 2012, the Company entered into a second amendment to the Agreement. The amendment included a reduction in the total available indebtedness from \$125.0 to \$75.0 million, which included the letters of credit and swingline loan subfacilities. The amended annual interest rates varied for the Alternate Base Rate loans (the prime rate plus 3% to 3.5% per annum) or the LIBOR Rate loans (LIBOR plus 4% to 4.5% per annum) depending on earnings before interest, income taxes, depreciation and amortization ("EBITDA") levels or other circumstances.

In connection with the second amendment to the Agreement, the revolving loan commitments were assigned to a single lender. In addition, a related party provided a guarantee of \$10.0 million and was also obligated to make up to two separate capital contributions of \$10.0 million in the event liquidity, as defined in the Agreement, fell below certain levels and a demand notice was issued by the lender or agent. The guarantee of capital contributions did not require the guarantor to make any payments.

Effective September 16, 2013, the Company entered into a third amendment to the Agreement. Under the third amendment, total available indebtedness increased from \$75.0 million to \$125.0 million, which includes the letters of credit and swingline loan subfacilities. The amended interest

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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rates vary, at the borrower's election, at either (i) the Alternate Base Rate (the prime rate plus 1.5% per annum), (ii) the LIBOR Rate (LIBOR plus 2.5% per annum), or (iii) LIBOR for a period of three months, with a daily reset of the interest rate ("the Daily LIBOR Rate"). The lender also suspended and revised certain financial covenants commencing with the quarter ended September 30, 2013.

The third amendment terminated the related party guarantee and obligation to make capital contributions. In addition, the amendment included an extension of the Maturity Date to January 10, 2019. This amendment was accounted for as a modification.

Effective July 27, 2015, the Company entered into a fourth amendment to the Agreement, revising prepayment fee terms and conditions.

Effective December 9, 2015, the Company entered into a fifth amendment to the Agreement, modifying the lender control agreement for certain collateral accounts.

Effective December 23, 2015, the Company entered into a sixth amendment to the Agreement. The sixth amendment increased the Revolving Loan Commitment to \$100.0 million and modified a financial covenant related to capital expenditures.

Effective July 7, 2016, the Company entered into a seventh amendment to the Agreement. In connection with this amendment, the lender increased the Revolving Loan Commitment to \$125.0 million. The lender also waived the fixed charge coverage ratio financial covenant violation throughout 2016 and established a new liquidity covenant commencing on July 7, 2016 through March 31, 2017. In connection with this amendment, a related party provided a capital commitment of up to \$20.0 million in the event liquidity, as defined, falls below certain levels and a demand notice is issued by the lender or agent.

Effective November 30, 2016, the Company entered into an eighth amendment to the Agreement which allowed for participation in the VACG joint venture (see Note 5).

Total outstanding borrowings under the revolving lines of credit were \$45.5 million and \$51.5 million at an interest rate of 3.47% and 3.03% as of December 31, 2016 and 2015, respectively.

**Letters of Credit**

Letters of credit obligations were provided to the Company under a credit agreement executed on April 5, 2004. This credit agreement was terminated in November 2009, except for the letters of credit obligations. These letters of credit were assumed under the Agreement.

The Agreement provides for a \$5.0 million letter of credit subfacility. The lender charges a fee of 2% of the average daily undrawn face amount of all letters of credit issued. The terms include a maximum maturity of one year from the date of issuance, with no minimum amount requirement.

Total letters of credit outstanding as of December 31, 2016 and 2015 were \$1.2 million and \$1.9 million, respectively.

**Swingline Loans**

The Agreement provides for a \$7.5 million swingline loan subfacility. Swingline loan borrowings are due and payable on the Maturity Date. However, the swingline lender could, at any time, demand repayment of its swingline loan by way of revolving loan borrowings. Swingline loans bear interest at the same rate as the Alternate Base Rate loans on the revolving line of credit. There were no borrowings under the swingline loan subfacility as of December 31, 2016 and 2015.

## **Maxim Healthcare Services, Inc. and Subsidiaries**

### **Notes to Consolidated Financial Statements**

#### **December 31, 2016 and 2015**

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##### **Commitment Fees**

The Agreement provides for an unused commitment fee for the line of credit, letters of credit and swingline loans of 0.40% per annum.

##### **Covenants and Repayment Guarantees**

Under the Agreement, the Company is required to maintain various affirmative and negative covenants of a financial and non-financial nature, including a covenant pertaining to fixed charge coverage ratio. Through the third quarter of 2015, the Company was in full compliance with such covenants, but did not meet the liquidity covenant at December 31, 2015, March 31, 2016, and June 30, 2016. The lender provided a waiver for the violation and suspended and revised the liquidity covenant of the Agreement in July 2016.

Repayment of any outstanding borrowings is guaranteed by all of Maxim's subsidiaries.

##### **Financing Fees**

To secure the Credit Agreement, the Company incurred \$1.2 million in financing fees. The fees were fully amortized as of December 31, 2010. Additional financing fees of \$200 thousand and \$250 thousand were incurred in 2016 and 2015, respectively, to amend the Credit Agreement. In 2015 and prior years, \$2.8 million in financing fees were also incurred as a result of amendments to the Credit Agreement. A percentage of unamortized fees were written off in proportion to the decrease in borrowing capacity, totaling \$326 thousand. The remaining fees are being amortized through the Maturity Date under the effective interest method.

The unamortized balance of deferred financing fees as of December 31, 2016 and 2015 was \$481 thousand and \$523 thousand, respectively. This balance is included as a deduction from the Company's Credit Facility within the accompanying Consolidated Balance Sheets.

## **7. Deferred Compensation Plans**

##### **Stock-Based Compensation Plans**

Maxim maintains an IIP Plan for certain key employees of the Company. Under the IIP Plan, each unit is deemed to have a value equivalent to the fair market value of one share of common stock of Maxim, as determined by the Board of Directors, plus the aggregate amount of all tax dividends declared and paid on the Company's common stock prior to December 31, 2013. The Company awards units that vest immediately and are expensed in the period the award is made. The Company also awards units that vest ratably based on Company EBITDA levels. All units that are subject to EBITDA-based vesting are charged to expense when it is probable that the Company will meet the minimum EBITDA targets. As of December 31, 2016, it was probable that awarded units would meet minimum EBITDA targets in 2017, resulting in 25 percent vesting. As a result, a ratable allocation of expense of \$3.0 million was recognized in 2016. Total compensation expense for new grants and vesting of existing grants was \$4.7 million and \$3.0 million for the years ended December 31, 2016 and 2015, respectively. Benefits under the IIP Plan are required to be paid only upon the retirement, death, permanent disability or termination of employment. Benefits paid to participants under the IIP Plan in 2016 and 2015 were \$2.1 million and \$14.1 million, respectively.

Effective December 31, 2012, the Board of Directors approved the revaluation of common stock (see Note 9) and the associated IIP unit price. The revaluation resulted in an \$8.2 million reduction in share-based compensation expense. The net compensation benefit related to the IIP plan was \$2.1 million for the year ended December 31, 2012. In 2016 and 2015, the value of common stock and IIP unit price remained constant. Consequently, no compensation benefit or expense related to changes in valuation was recognized for the years ended December 31, 2016 and 2015.

In January 2013, the Company, by action of the Board of Directors, amended its IIP Plan. The Company awarded certain IIP Plan participants units in consideration for the cancellation of any

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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unvested previously awarded units. The awarded units vest ratably based on Company EBITDA levels, as determined by the Board of Directors, and participant performance.

In January 2006, the Company created the SAR Plan for key employees not generally eligible to participate in the IIP Plan. Each SAR entitles the holder to future cash benefits based on appreciation in the value of the units in the Company's IIP plan. The appreciation for all SARs is based on the difference of the current IIP unit value and the IIP unit value at the date of the award. The SARs issued under the SAR Plan have various vesting periods. All SARs that are subject to vesting are charged to expense ratably over the period between the award date and final vesting date. Benefits under the SAR Plan are required to be paid upon retirement, death, permanent disability or termination of employment or, with certain long-term awards, the first January after fully vesting.

Compensation expense with respect to SARs of \$0 was recorded for the years ended December 31, 2016 and 2015. At December 31, 2016 and 2015, the Company had 141 thousand and 139 thousand SARs outstanding with a value of \$0. Benefits paid to participants under the SAR Plan were \$0 in 2016 and 2015.

**Defined Contribution Plan**

Maxim participates in a multi-employer defined contribution 401(k) savings and investment plan (the "401(k) Plan") which covers substantially all of its employees. The 401(k) Plan provides for an employer matching contribution for certain contributing employees. For the years ended December 31, 2016 and 2015, the Company incurred matching contributions of \$2.0 million and \$1.9 million, respectively.

In January 2009, the Company created a plan ("Performance Award Plan"), to supplement the employer match under its 401(k) Plan, for employees generally not eligible to participate in the IIP or SAR Plans. The Company contributes a fixed-dollar allocation equal to a specified percentage of the base award amount for the plan year, based on the participant's years of employment. The base award amount is specified by the Company at its discretion. The Company incurred contributions pursuant to the Performance Award Plan of \$0 and \$603 thousand for the years ended December 31, 2016 and 2015, respectively.

**8. Commitments and Contingencies**

**Worker's Compensation Programs**

The Company maintained a reserve of \$756 thousand and \$844 thousand as of December 31, 2016 and 2015, respectively, related to the 2000-2002 policy years of its workers' compensation programs.

This amount represented the actuarially determined amount of future obligations for certain losses in excess of per-claim deductible amounts and aggregate limits ("Excess Losses"). The Company determined that this reserve was necessary because the deteriorating financial condition of the original insurer on these Excess Losses, and the limited (if any) coverage available to the Company from state insurance to guarantee funds if the original insurer fails to pay these Excess Losses, may force the Company to be responsible for paying these Excess Losses.

The Company has accrued a liability of \$10.6 million, inclusive of an estimate of prior period premium adjustments of \$3.3 million, and \$10.9 million, inclusive of an estimate of prior period premium adjustment of \$3.4 million, as of December 31, 2016 and 2015, respectively, related to its current workers' compensation programs.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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**Leases**

Maxim conducts its operations in office facilities under operating leases expiring through 2024. The leases require the Company to assume a proportionate share of costs associated with the facilities, as defined in the lease. Several of the leases contain renewal options ranging from two to five years.

Future minimum annual lease payments under noncancelable operating leases consisted of the following at December 31, 2016 (in thousands):

2017	\$	24,399
2018		23,719
2019		22,510
2020		19,442
2021		11,595
Thereafter		8,071
	\$	<u>109,736</u>

Total rent expense was \$22.8 million and \$18.6 million for the years ended December 31, 2016 and 2015, respectively.

**Litigation**

Maxim is involved in various legal matters arising out of the normal course of business. In management's opinion, the Company's ultimate liability or loss, if any, resulting from such legal matters will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Notwithstanding the above, in May 2005, the U.S. Attorney's Office for the District of New Jersey ("USAO"), with assistance from the U.S. Department of Health and Human Services Office of Inspector General ("HHS-OIG") and in coordination with the United States Department of Justice Civil Division ("DOJ"), commenced a civil investigation of alleged improper billing, among other issues, under federal and state funded programs. USAO began a parallel criminal investigation in 2006. The Company executed various agreements with the USAO, DOJ and HHS-OIG effective September 6, 2011. An initial settlement payment of \$70.0 million plus \$1.9 million in interest was paid in September 2011. At December 31, 2016 and 2015, respectively, the Company has a recorded liability of \$70.1 million and \$70.3 million within Other Accrued Expenses associated with the settlement of the investigation. Of this liability, \$61.8 million and \$70.0 million are classified as long-term as of December 31, 2016 and 2015, respectively. Future interest cost associated with the settlement is estimated to be \$1.6 million. The final payment is due September 23, 2019. The Company believes its current liquidity and credit facility (see Note 6), as well as alternative sources of financing, if necessary, will enable it to meet this obligation.

Additionally, at December 31, 2016, the Company has recorded a liability of \$9.0 million as a probable billing repayment related to a single program. At this time, the Company believes there are no other material exposures.

**9. Common Stock**

On December 31, 2016 and December 31, 2015, Maxim had 20.0 million authorized shares of common stock with a par value of \$0.0002 per share. Shares issued and outstanding as of December 31, 2016 and 2015 were 18.8 million and 19.0 million, respectively.

In 2011 and certain prior years, the Company declared and paid tax dividends to the shareholders. No dividends were declared or paid in 2016 and 2015 due to tax net operating losses in 2015 and 2014.

**Maxim Healthcare Services, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016 and 2015**

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**10. Income Taxes**

Provision for current and deferred state income tax expense (benefit) net for the years ended December 31, 2016 and 2015 was \$160 thousand (benefit) and \$84 thousand expense, respectively.

The Company has not recorded a liability for unrecognized income tax benefits and does not anticipate a significant change to the total amount of unrecognized tax benefits within the next twelve months.

The Company elects to recognize interest and penalties related to unrecognized income tax benefits in income tax expense. During the years ended December 31, 2016 and 2015, the Company did not recognize interest and penalties associated with unrecognized tax benefits in the results of operations.

The Company files income tax returns in U.S. federal and various state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state, and local examinations by tax authorities for years before 2013.

**11. Transactions with Affiliates and Stockholders**

Maxim has amounts due to a company under common control by certain stockholders of Maxim. These amounts are due on demand and are settled in the ordinary course of operations. The fair value of these amounts approximates their carrying value.

Maxim makes short-term advances to its stockholders to fund estimated income tax payment obligations incurred by the stockholders resulting from the Company's election as an S Corp for income tax purposes. These advances are repaid by the stockholders from proceeds of tax dividends (see Note 9) declared and paid by Maxim and by withholding amounts from other dividends declared and paid by Maxim to such stockholders.

Substantially all of the Company's workers' compensation coverage is provided by unrelated insurance carriers. Premiums paid for this coverage are based on expected loss payments for the year plus applicable costs, but may adjust based on loss development above or below certain thresholds; if so, these adjustments are reflected in the financial statements for the year of such determination. These insurance carriers reinsure a substantial portion of this coverage with a company owned by certain stockholders of the Company. This related company maintains statutorily required minimum capital levels as deemed necessary by applicable regulatory agencies.

**12. Subsequent Events**

The Company evaluated subsequent events through May 5, 2017, the date the financial statements were available to be issued. The Company concluded no material events subsequent to December 31, 2016 were required to be reflected in the Company's consolidated financial statements or notes as required by standards for accounting disclosures of subsequent events.

**B-Orderly Development-4B**

**TDOH Survey and Plan of Correction**

# Nashville

## HH Survey



May 30, 2017

Mr. Steven Rider  
Maxim Healthcare Services  
115 East Park Drive, Suite 200  
Brentwood, TN 37027

**RE: Recertification Survey – 1/25/17**  
**CCN: 447580**

Dear Mr. Rider:

The Department of Health West TN Regional Office of Health Care Facilities completed a recertification survey of your facility on **January 25, 2017**. Based on a desk review follow-up completed on **May 25, 2017**; we are accepting your plan of correction and assume your facility is in compliance with all participation requirements.

If this office may be of any assistance to you, please do not hesitate to call.

Sincerely,

*Rhonda Rogers, PHNC2*

Rhonda Rogers, RN  
Public Health Nurse Consultant II

RR/ab *[signature]*

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED  
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  <b>447580</b>	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____		(X3) DATE SURVEY COMPLETED  <b>01/25/2017</b>
NAME OF PROVIDER OR SUPPLIER  <b>MAXIM HEALTHCARE SERVICES, INC</b>			STREET ADDRESS, CITY, STATE, ZIP CODE <b>2416 HILLSBORO ROAD, SUITE 208 NASHVILLE, TN 37212</b>		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
G 158	<p><b>484.18 ACCEPTANCE OF PATIENTS, POC, MED SUPER</b></p> <p>Care follows a written plan of care established and periodically reviewed by a doctor of medicine, osteopathy, or podiatric medicine.</p> <p>This STANDARD is not met as evidenced by: Based on policy review, medical record review and interview, the agency failed to notify the physician when a change in the plan of care occurred and failed to ensure an appropriate frequency for visits for 6 of 8 (Patient #1, 3, 4, 6, 7 and 8) active sampled patients.</p> <p>The findings included:</p> <p>1. Review of the facility's "MISSED SHIFT/VISIT" policy revealed, "...Missed Visit...If the physician order, authorization or aide plan of care specifies a visit on a particular day and for any reason the visit does not occur as ordered, a Missed Visit Note is required...Missed Shift...Any portion of the scheduled shift that is not completed per the physician order, authorization or aide plan of care requires the completion of a Missed Shift/Visit Note, which is to be filed in the medical record...If at any time the services provided do not match the physician order (or range of orders) a Missed Shift/Visit Note and notification of the physician is required. The medical record will include all documentation related to the missed shift including alternative care for the patient..."</p> <p>2. Medical record review for Patient #1 revealed a start of care (SOC) date of 5/22/14 with diagnoses of Unspecified Hydronephrosis, Cerebral Palsy, Hypothyroidism, Neuromuscular Dysfunction of Bladder, Generalized Idiopathic</p>	G 158	<p>484.18 Acceptance of Patients, POC Med Super. Patients #1,3,4,6,7, and 8.</p> <p>The administrator/Qualified Alternate will ensure the following:</p>		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Any deficiency statement ending with an asterisk (\*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 01/21/2017  
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NAME OF PROVIDER OR SUPPLIER  <b>MAXIM HEALTHCARE SERVICES, INC</b>			STREET ADDRESS, CITY, STATE, ZIP CODE <b>2416 HILLSBORO ROAD, SUITE 208 NASHVILLE, TN 37212</b>		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
G 158	Continued From page 1 Epilepsy and Epileptic Syndromes. The plan of care (POC) dated 11/7/16-1/5/17 documented skilled nursing visit (SNV) twice a day and home health aide (HHA) services 14 hours per week. Record review revealed one missed SNV on 11/12/16, 11/19/16, 11/21/16, 11/22/16, 11/23/16, 11/24/16, 11/30/16, 12/14/16, 12/18/16, 12/20/16 and 12/30/16. Record review revealed two missing SNV on 11/25/16, 11/28/16 and 12/31/16. Record review revealed 4 hours (hr) of missing HHA services on the week (wk) of 11/7/16, 11/13/16, 11/20/16, 11/27/16, 12/11/16, 12/18/16, 12/25/16 and 1/1/17. Further record review revealed 6 hr of missing HHA services on the wk of 12/4/16. There was no documentation the physician was notified of the change in the POC.  3. Medical record review for Patient #3 revealed a SOC on 8/31/09 with diagnoses of Cerebral Palsy, Convulsions and Gastrostomy Tube dependent. The POC dated 11/22/16-1/20/17 documented skilled nursing services for 30 hours per week (hr/wk) throughout the 60 day certification period. Record review revealed Patient #3 received SN services less than 30 hr/wk as follows: wk of 11/22/16-received 25 hr 50 min SN services; wk of 11/27/16-received 16 hr 52 min SN services; wk of 12/4/16-received 25 hr 17 min SN services; wk of 12/11/16-received 26 hr 7 min SN services; wk of 12/18/16-received 17 hr 51 min SN services; wk of 12/25/16-received 26 hr 52 min SN services; wk of 1/1/17-received 17 hr 25 min SN services; wk of 1/8/17-received 18 hr 36 min SN services, and;	G 158	The office staff will be re-educated on on Missed Visit Shift SOP MD-CL-016B.  Action 1: Healthcare Recruiters and Client Coordinators will complete missed shift visit report daily.  Action 2: Field Support Team will collect all missed visit forms daily, those forms will then be sent to the physician to provide the necessary notification of the change in the POC. Once successful communication has been sent to the physician, the missed visit form will be filed accordingly in the patients medical chart.  Action 3: Field Support team member under the guidance of the Administrator/ Qualified Alternate will conduct a 100% audit of all Missed Visits in March and April to ensure compliance with the POC established by the physician.  Compliance will be monitored weekly during review of submitted documentation for hours of service provided per patient and for conformance with the POC established by the physician.	03/10/17  on-going  on-going  04/07/17  05/05/17  on-going	

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES

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STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  447580	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____		(X3) DATE SURVEY COMPLETED  01/25/2017
NAME OF PROVIDER OR SUPPLIER  MAXIM HEALTHCARE SERVICES, INC			STREET ADDRESS, CITY, STATE, ZIP CODE 2416 HILLSBORO ROAD, SUITE 208 NASHVILLE, TN 37212		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
G 158	<p>Continued From page 2</p> <p>wk of 1/15/17-received 8 hr 5 min SN services. There was no documentation the physician had been notified of the change in the POC.</p> <p>4. Medical record review for Patient #4 revealed a SOC on 5/11/16 with diagnoses of Respiratory Failure, Ventilator Dependent and Attention to Ileostomy. The POC dated 1/6/17-3/6/17 documented skilled nursing services for 168 hr/wk throughout the 60 day certification period. Record review revealed Patient #4 received SN services less than 168 hr/wk as follows: wk of 1/1/17-received 144 hr 56 min SN services; wk of 1/8/17-received 153 hrs SN services, and; wk of 1/15/17-received 166 hr SN services. There was no documentation the physician had been notified of the change in the POC.</p> <p>5. Medical record review for Patient #6 revealed a SOC on 9/8/16 with diagnoses of Diabetes Mellitus and Long term use of Insulin. The POC dated 11/7/16-1/5/17 documented skilled nurse visits 5 times a week for 2 weeks, 2 times a week for 1 week, 5 times a week for 3 weeks, 0 times a week for 2 weeks, and 2 times a week for 1 week. Record review revealed one missed skilled nurse visit the week of 11/6/16, 11/13/16, 12/11/16, and 1/1/17. There was no documentation the physician had been notified of the change in the POC.</p> <p>In an interview in the conference room on 1/25/17 at 3:15 PM, the Clinical Director verified the "0" frequency for visits.</p> <p>6. Medical record review for Patient #7 revealed a SOC date of 11/21/16 with diagnoses of Trisomy 18, Anemia, Feeding Difficulties and Atrial Septal Defect. The POC dated</p>	G 158	<p>Director of Clinical Services will review Home Health Certification and Plan of Care HH-CL-007.6 Section 5.3.6 Frequency and Duration with all Clinical Supervisors.</p> <p>Director of Clinical Services will complete a 100% audit of all Intermittent patients to ensure the SNV frequency is current and appropriate for all patients.</p> <p>Compliance will be monitored by Director of Clinical Services every 60 days and ensuring that the patients plan of care is updated with the appropriate frequency and duration that is ordered by the physician.</p>	03/10/17	03/17/17
				on-going	

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED  
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  447580	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____		(X3) DATE SURVEY COMPLETED  01/25/2017
NAME OF PROVIDER OR SUPPLIER  MAXIM HEALTHCARE SERVICES, INC			STREET ADDRESS, CITY, STATE, ZIP CODE 2416 HILLSBORO ROAD, SUITE 208 NASHVILLE, TN 37212		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
G 158	<p>Continued From page 3</p> <p>11/21/16-1/19/17 documented skilled nursing services for 56 hours per week. Record review revealed the skilled nursing visits less than 56 hr/wk as follows: wk of 11/21/16-received 32 hr 29 min SN services; wk of 11/27/16-received 48 hr 30 min SN services; wk of 12/4/16-received 12 hr 30 min SN services; wk of 12/11/16-received 32 hr SN services; wk of 12/18/16 - received 24 hr SN services; wk of 12/25/16 - received 40 hr 5 min SN services; wk of 1/1/17-received 24 hr SN services; wk of 1/8/17-received 40 hr 15 min SN services, and; wk of 1/15/17-received 24 hr 19 min SN services. There was no documentation the physician had been notified of the change in the POC.</p> <p>7. Medical record review for Patient #8 revealed a SOC date of 11/19/13 with diagnoses of Intracranial Injury and Gastroesophageal Reflux Disease. The POC dated 11/3/16-1/2/17 documented skilled nursing visit 2 times a week for 1 week, 5 times a week for 8 weeks, and 1 time a week for 1 week. Record review revealed 1 missed skilled nursing visit the week of 11/6/16, 3 missed visits the week of 11/20/16 and 1 missed visit the week of 12/18/16, 12/25/16 and 1/1/17. There was no documentation the physician was notified of the change in the POC.</p> <p>During an interview in the conference room on 1/24/17 at 2:23 PM, the Clinical Services Director stated if the medical record did not contain a missed visit note, the physician was not notified of a missed visit. The Clinical Services Director confirmed there were no documentation of</p>	G 158			

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 01/25/2017  
FORM APPROVED  
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  <b>447580</b>	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____		(X3) DATE SURVEY COMPLETED  <b>01/25/2017</b>
NAME OF PROVIDER OR SUPPLIER  <b>MAXIM HEALTHCARE SERVICES, INC</b>			STREET ADDRESS, CITY, STATE, ZIP CODE <b>2416 HILLSBORO ROAD, SUITE 208 NASHVILLE, TN 37212</b>		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
G 158	Continued From page 4 missed visits in the medical record for Patient #1, 3, 4, 6, 7 or 8.	G 158	Pursuant to federal and state law, Maxim hereby submits this Plan of Correction and allegation of Compliance for the deficiencies noted. This plan of correction does not, however, constitute an admission that the deficiency exists or existed or that the deficiency was properly cited.		

## **Proof of Publication**

APPL

TEXT WORK to 55000 615-605-4710

### NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Maxim Healthcare Services (a home health agency), owned and managed by Maxim Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to expand its authorized service area to include 7 Middle Tennessee counties, which are Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury Counties. The current service consists of 9 counties: Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. The project cost is estimated at \$75,000. The agency's principal office for this service area is located at 115 East Park Drive, Suite 200, Brentwood, TN 37027.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before March 14, 2018. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

From left: Victoria  
Gross, Cornerville;  
Phillip Randall, Jr.  
Forrest and Grant  
Agnew, Nashville

Public Notices

Public Notices

Public Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

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Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(G)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Public Notices

Public Notices

Public Notices

0002780921

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that: Vanderbilt University Medical Center an existing acute care hospital owned by: Vanderbilt University Medical Center with an ownership type of corporation not-for-profit and to be managed by Vanderbilt University Medical Center intends to file an application for a Certificate of Need for the addition of fourteen (14) adult psychiatric beds located on the campus of Vanderbilt University Medical Center located at 1211 Medical Center Drive, Nashville, TN 37232. The project cost is projected to be \$4,214,113. This project will increase the total inpatient psychiatric capacity of Vanderbilt University Medical Center by fourteen (14) beds to a total 106 psychiatric beds. The project will not involve any other service for which a certificate of need is required.

The anticipated date of filing the application is, March 14 2018. The contact person for this project is Gina Felts, Vice-President, Business Development who may be reached at: Vanderbilt University Medical Center, 3319 West End Avenue, Suite 920, Nashville, TN 37203. 615 936-6005

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(G)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency. State



US Treasury Dept. Public Auction  
Wed. 3/21 at 12 Noon  
164 Bobwhite Dr., Dickson  
2,421 sq. brick home, 5BR, 4BA, kitchen  
living rm, dining rm, detached 2-car  
garage, 1,297 sq. unfinished walk-out  
basement. Open 1.09 ± acre lot in  
subdiv. of Lakewood Estates  
OPEN: Sat. 3/21 & 3/28 from 1-4pm  
Deposit: \$1000 cashiers check payable  
to CVS. Minimum bid  
is required to bid.  
www.treas.gov/auctions/realty/rp  
703-273-7373 sales 18-65-146

Wanted to Buy

We buy now and sell later. Call Money  
Investors. Jim Stevens Realty 228-2541

REAL ESTATE WANTED  
I Buy Real Estate 615-269-0882

Public Notices

PUBLIC NOTICE OF AVAILABILITY  
FINAL ENVIRONMENTAL ASSESSMENT (EA) AND  
FINDING OF NO SIGNIFICANT IMPACT (FONSI) FOR THE  
IMPLEMENTATION OF THE BNA VISION

AGENCY: Federal Aviation Administration, Metropolitan Nashville Airport Authority

The Federal Aviation Administration (FAA) has assessed the potential environmental impacts for the proposed improvements at the Nashville International Airport (BNA) in Nashville, Tennessee. The FAA has determined the project as proposed would not significantly affect the quality of the human environment and that an Environmental Impact Statement (EIS) is not necessary. An Environmental Assessment (EA) was prepared and a Finding of No Significant Impact (FONSI) has been issued. The EA and FONSI are available to review at:

- MNAA, One Terminal Drive, Suite 501, Nashville, TN 37214; Hours: Monday through Friday, 8:30 AM to 3:30 PM (CT).
- FAA, Memphis Airports District Office, 2600 Thousand Oaks Boulevard, Suite 2250, Memphis, TN 38118; Hours: Monday through Friday, 8:00 AM to 3:30 PM (CT).
- Nashville Public Library Donelson Branch, 2315 Lebanon Pike, Nashville, TN 37214; Monday through Friday, 11:00 AM to 6:00 PM (CT)
- Tennessee State Library and Archives, 403 7th Avenue North, Nashville, TN 37243; Hours: Monday through Friday, 9:00 AM to 3:00 PM (CT)
- Online at [www.bnavision.com/plans](http://www.bnavision.com/plans)

For additional information contact:

Christine Vitt  
AVP, Strategic Planning and Sustainability  
Metropolitan Nashville Airport Authority  
One Terminal Drive, Suite 501  
Nashville, TN 37214  
Phone: (615) 275-1783  
email: [christine\\_vitt@nashintl.com](mailto:christine_vitt@nashintl.com)

OR

Kristi Ashley  
Environmental Protection Specialist  
FAA - Memphis Airports District Office  
2600 Thousand Oaks Boulevard  
Memphis, TN 38118

## **Support Letters**



Dec 7, 2017

To: Tennessee Health Services and Development Agency

I am writing to support in the strongest possible way the Certificate of Need application for Maxim Healthcare for the Middle Tennessee area, specifically the counties of Maury, Hickman, Marshall, Bedford, Coffee, and Cannon.

Our complex care program at Monroe Carell Jr Children's Hospital at Vanderbilt provides care for children with severe chronic disease, many of whom are technology dependent. They frequently require home ventilators, tracheostomies, or continuous feeding through gastrostomy tubes. Many of our patients depend on home nursing to stay out of the hospital.

We share many patients with Maxim Healthcare and have been extremely pleased with their services. We view them as valuable partners in care.

We work with children from all over the state, and it is particularly challenging to find needed home nursing in areas away from the largest population centers. Many of our families, even though approved for home care, are unable to fill needed nursing shifts due to a lack of available nurses. The supply of home providers clearly does not meet the need and we urge you to approve Maxim's application.

Please call if you have any questions.

Sincerely,

David E. Hall, M.D.  
Professor of Clinical Pediatrics  
Vanderbilt University School of Medicine  
Section Head, Program for Children with Medically Complex Needs  
Monroe Carell Jr Children's Hospital at Vanderbilt  
615 875 0901



Monroe Carell Jr. Children's Hospital at Vanderbilt  
Program for Children with Medically Complex Needs  
2200 Children's Way | 2507 VCH | Nashville, TN  
37232-9507 tel 615.875.0901 | fax 615.343.3650  
[www.ChildrensHospital.Vanderbilt.org](http://www.ChildrensHospital.Vanderbilt.org)

VANDERBILT UNIVERSITY



MEDICAL CENTER

November 16, 2017

RE: Maxim Healthcare

To Whom It May Concern,

I am a pediatrician with University Pediatrics Clinic at Vanderbilt in Nashville, Tennessee. We are a practice of 7 providers who see a large number of medically complex patients who require home health services. We have worked closely with Maxim Healthcare regarding several of our patients. We have found them to be responsive to patient needs, timely with orders and requests, professional in their communication, and efficient with fulfilling prescribed hours for our patients. Since we care for patients that live in a widespread area surrounding Nashville, it would be very beneficial to have Maxim's service territory expanded.

Thank you for your consideration in this matter. Please feel free to contact me if you have questions or need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Alice Rothman".

Alice Rothman, M.D., M.P.H.  
Associate Professor of Pediatrics  
University Pediatrics



Monroe Carell Jr. Children's Hospital at Vanderbilt  
University Pediatrics, Vanderbilt Health-One Hundred Oaks  
719 Thompson Lane | Suite 24500 | Nashville, TN 37204  
tel 615.936.3939 | fax 615.936.3909  
[www.ChildrensHospital.Vanderbilt.org](http://www.ChildrensHospital.Vanderbilt.org)



February 16, 2018

Tennessee Health Services and Development Agency:

I am a provider with our Complex Care Team at Monroe Carell Jr. Children's Hospital at Vanderbilt. We serve, primarily, children with severe neurologic injury who are often dependent on medical technology, like ventilators, feeding tubes, and shunts. The majority of our patients also have home nursing due to the severity of their chronic medical conditions. We often find it difficult to obtain pediatric private duty nursing services in these particular areas:

Maury, Hickman, Marshall, Bedford, Coffee, and Cannon Counties. We, as a medical team, would like to support the Maxim Healthcare Application for Certification of Need in these areas. They are a well-respected and high quality provider for many of our patients.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Wilkerson'.

Sarah Wilkerson, PNP  
Professor of Clinical Pediatrics  
Program for Children with Medically Complex Needs

Monroe Carell Jr. Children's Hospital at Vanderbilt  
Program for Children with Medically Complex Needs  
2200 Children's Way | 2507 VCH | Nashville, TN  
37232-9507 tel 615.875.0901 | fax 615.343.3650  
[www.ChildrensHospital.Vanderbilt.org](http://www.ChildrensHospital.Vanderbilt.org)



**Saint Thomas**  
RUTHERFORD HOSPITAL

February 26, 2018

RE: Maxim Healthcare

To Whom It May Concern:

I am the Team Lead in case management at St Thomas Rutherford Hospital. Our hospital sees a large number of patients who require home health nursing. They include patients from Maury, Hickman, Bedford, Coffee and Cannon counties. We have worked closely with Maxim Healthcare in providing home health care for patients in difficult cases and have received excellent service. We need an additional home health resource in these counties. I support expanding their services in the counties mentioned previously. Our patient's that use Maxim Healthcare have been satisfied with the service they receive.

Thank you for your consideration in this matter.

Sincerely,

Cathy Alber, RN/ Team Lead/Case Management

St Thomas Rutherford Hospital

615-225-7298



**Old Harding  
Pediatric Associates**  
ESTABLISHED 1937



November 13, 2017

Re: Maxim Healthcare Services

To Whom It May Concern,

Paul Heil, M.D.  
Laurie Aisentzer, M.D.  
Linda Brady, M.D.  
Chris Smeltzer, M.D.  
Chris Patton, M.D.  
Jennifer Ragsdale, M.D.  
Jon Betts, M.D.  
John Long, M.D.  
James Keffer, M.D.  
Kyle Cormier, M.D.

I am writing in support of Maxim Healthcare Services as they attempt to expand their coverage area for the state of Tennessee. I know their organization well from two vantage points.

Having practiced general pediatrics in Middle Tennessee for twenty-five years with many special needs children, I have shared numerous patients with Maxim. They consistently demonstrated professional, attentive care. Many of these patients had technology based care including respiratory support and seizure interventions. The nurse managers did an excellent job of matching appropriate personnel to the case needs. Maxim is always my first choice when seeking home care for my patients.

For many years, I have also served on Maxim's Professional Advisory Board. We meet each spring to discuss progress, problems, and quality improvement measures. I have witnessed tremendous growth of this business in its scope and leadership. They embrace many aspects of a well-run, progressive organization including feedback from all levels, significant investment in employee training and retention, and prompt follow up on customer complaints. One of the key quality metrics for a home agency is their ability to staff their current cases. Maxim is fulfilling nearly 95% of all prescribed hours. I have no doubt they are ready to expand their services to a wider area.

I do not have a large patient base in Maury, Hickman, Marshall, Bedford, Coffee, and Cannon counties where Maxim would like to provide additional services. However, given the large number of pediatric patients currently coming out of NICU and PICU stays with technical home care needs, I am sure Maxim is needed in these areas. Their agency has the pediatric expertise to meet these needs.

Thank you for giving consideration to Maxim Healthcare Services for this request.

Paul Heil, M.D.

**Old Harding Pediatric Associates, P.C.**  
5819 Old Harding Road • Nashville, Tennessee 37205  
Bellevue Office: 7640 Highway 70 South • Nashville, Tennessee 37221  
615-352-2990 www.ohpa.com



1113 Murfreesboro Road • Suite 319

Franklin, TN 37064

(P) 615.790.0567

(T) 866.790.8388

(F) 615.595.8030

www.mercytn.org

November 21, 2017

RE: Maxim Healthcare

To Whom It May Concern:

I am a primary care physician with Mercy Community Healthcare in Franklin, TN. Our practice sees a moderate number of adult patients who require home health nursing services. We have worked closely with Maxim Healthcare and have received excellent service. Their nurses are professional and prompt in calling the office when a problem arises. All of our patients that use Maxim Healthcare have been satisfied with the services they receive.

We currently have limited agencies available to serve our patient populations in Maury and Marshall Counties. I strongly support these areas having additional agencies and services available to meet the needs for patients who live in these counties.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christine Bett-Belleau".

Christine Bett-Belleau, MD

Primary Care Physician

CBB/bld



1113 Murfreesboro Road • Suite 319

Franklin, TN 37064

(P) 615.790.0567

(T) 866.790.8388

(F) 615.595.8030

[www.mercytn.org](http://www.mercytn.org)

November 21, 2017

RE: Maxim Healthcare

To Whom It May Concern:

I am a primary care physician with Mercy Community Healthcare in Franklin, TN. Our practice sees a moderate number of adult patients who require home health nursing services. We have worked closely with Maxim Healthcare and have received excellent service. Their nurses are professional and prompt in calling the office when a problem arises. All of our patients that use Maxim Healthcare have been satisfied with the services they receive.

We currently have limited agencies available to serve our patient populations in Maury and Marshall Counties. I strongly support these areas having additional agencies and services available to meet the needs for patients who live in these counties.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mel. Hixson MD".

Melissa Hixson, MD

Primary Care Physician

MEH/bld



1113 Murfreesboro Road • Suite 319

Franklin, TN 37064

(P) 615.790.0567

(T) 866.790.8388

(F) 615.595.8030

[www.mercytn.org](http://www.mercytn.org)

November 21, 2017

RE: Maxim Healthcare

To Whom It May Concern:

I am a chronic care pediatrician with Mercy Community Healthcare in Franklin, TN. Our practice sees a large number of special needs patients who require home health nursing services. We have worked closely with Maxim Healthcare and have received excellent service. Their nurses are professional and prompt in calling the office when a problem arises. All of our patients that use Maxim Healthcare have been satisfied with the services they receive.

We currently have limited agencies available to serve our patient populations in Maury and Marshall Counties. I strongly support these areas having additional agencies and services available to meet the needs for patients who live in these counties.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Abigail Ryan, MD".

Abigail Ryan, MD

Chronic Care Pediatrician

ALR/bld



1113 Murfreesboro Road • Suite 319

Franklin, TN 37064

(P) 615.790.0567

(T) 866.790.8388

(F) 615.595.8030

[www.mercytn.org](http://www.mercytn.org)

November 21, 2017

RE: Maxim Healthcare

To Whom It May Concern:

I am a chronic care pediatrician with Mercy Community Healthcare in Franklin, TN. Our practice sees a large number of special needs patients who require home health nursing services. We have worked closely with Maxim Healthcare and have received excellent service. Their nurses are professional and prompt in calling the office when a problem arises. All of our patients that use Maxim Healthcare have been satisfied with the services they receive.

We currently have limited agencies available to serve our patient populations in Maury and Marshall Counties. I strongly support these areas having additional agencies and services available to meet the needs for patients who live in these counties.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Amy Vehec".

Amy Vehec, MD

Chronic Care Pediatrician

AEV/bld

**MEDICAL**

Patient Care That Helps You Breathe Easier

December 8th, 2017

To Whom It May Concern:

I am the owner of RT Medical LLC, a home medical equipment company that specializes in Clinical Respiratory Services and mechanical ventilation. We provide services for tracheostomized pediatrics throughout Tennessee. There is a definite need for more skilled pediatric nursing care in the patients' homes. Many patients have to stay in the hospital an extended period of time because there is not enough nursing to care for them at home. Maxim is an exceptional home health company with qualified nursing staff. Their services are needed to care for more pediatric patients and prevent costly and unnecessary hospital stays. Hickman, Maury, Marshall, Bedford, Coffee, Cannon and Dekalb counties are in desperate need for more pediatric home health nursing services. Please consider Maxim Healthcare Services for the listed counties. I assure you the patients will receive the best care. Thank you for your consideration.

Rachel Thomas, RCP, RRT  
Owner

**3524 Central Pike Suite 310  
Hermitage, TN 37076  
Office: 615-469-7299  
Fax: 615-469-7596**

Public Notices

Public Notices

Public Notices

# NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Madison Healthcare Services (a home health agency), owned and managed by Madison Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to expand its authorized service area to include 7 Middle Tennessee counties, which are Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury Counties. The current services consist of 9 counties: Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. The project cost is estimated at \$75,000. The agency's principal office for this service area is located at 115 East Park Drive, Suite 200, Brentwood, TN 37027.

The project does not contain major medical equipment or facilities or discontinue any other health services, and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before March 14, 2018. The contact person for the project is John Westborn, who may be reached at Development Support Group, 4219 Hillboro Road, Suite 210, Nashville, TN 37215; (615) 685-5022.

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Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

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Public Notices

Public Notices

Public Notices

10002780921

## NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that: Vanderbilt University Medical Center an existing acute care hospital owned by: Vanderbilt University Medical Center with an ownership type of corporation not-for-profit and to be managed by Vanderbilt University Medical Center intends to file an application for a Certificate of Need for the addition of fourteen (14) adult psychiatric beds located on the campus of Vanderbilt University Medical Center located at 1211 Medical Center Drive, Nashville, TN 37232. The project cost is projected to be \$4,214,113. This project will increase the total inpatient psychiatric capacity of Vanderbilt University Medical Center by fourteen (14) beds to a total 106 psychiatric beds. The project will not involve any other services for which a certificate of need is required.

The anticipated date of filing the application is, March 14 2018. The contact person for this project is Gina Felts, Vice-President, Business Development who may be reached at: Vanderbilt University Medical Center, 3319 West End Avenue, Suite 920, Nashville, TN 37203. 615 936-6005

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency. State of Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243



US Treasury Dept. Public Auction  
Wed. 3/21 at 12 Noon  
106 Bowdoin Dr., Dickson  
2,421 sq. ft. brick home, 3BR, 4BA, Kitchen  
living rm, dining rm, detached 2-car  
garage, 1,271 sq. ft. unfinished walk-out  
basement. Call 703-273-7373 or see lot in  
bookend. Open Sun. 3/11 & 3/18 from 1-4pm  
Deduct: \$10K cashiers check payable  
to CWS Marketing Grp  
is required to bid.  
www.livestats.gov/auctions/treasury/tp  
703-273-7373 called 12-06-16

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### Public Notices

## PUBLIC NOTICE OF AVAILABILITY FINAL ENVIRONMENTAL ASSESSMENT (EA) AND FINDING OF NO SIGNIFICANT IMPACT (FONSI) FOR THE IMPLEMENTATION OF THE BNA VISION

AGENCY: Federal Aviation Administration, Metropolitan Nashville Airport Authority

The Federal Aviation Administration (FAA) has assessed the potential environmental impacts for the proposed improvements at the Nashville International Airport (BNA) in Nashville, Tennessee. The FAA has determined the project as proposed would not significantly affect the quality of the human environment and that an Environmental Impact Statement (EIS) is not necessary. An Environmental Assessment (EA) was prepared and a Finding of No Significant Impact (FONSI) has been issued. The EA and FONSI are available to review at:

- MNAEA, One Terminal Drive, Suite 501, Nashville, TN 37214; Hours: Monday through Friday, 8:30 AM to 3:30 PM (CT).
- FAA, Memphis Airports District Office, 2600 Thousand Oaks Boulevard, Suite 2250, Memphis, TN 38118; Hours: Monday through Friday, 8:00 AM to 3:30 PM (CT).
- Nashville Public Library Donelson Branch, 2315 Lebanon Pike, Nashville, TN 37214; Monday through Friday, 11:00 AM to 6:00 PM (CT)
- Tennessee State Library and Archives, 403 7th Avenue North, Nashville, TN 37243; Hours: Monday through Friday, 9:00 AM to 3:00 PM (CT)
- Online at [www.bnavision.com/plans](http://www.bnavision.com/plans)

For additional information contact:

Christine Vilt  
AVP, Strategic Planning and Sustainability  
Metropolitan Nashville Airport Authority  
One Terminal Drive, Suite 501  
Nashville, TN 37214  
Phone: (615) 275-1783  
email: [christine\\_vilt@nashintl.com](mailto:christine_vilt@nashintl.com)

OR

Kristi Ashley  
Environmental Protection Specialist  
FAA - Memphis Airports District Office  
2600 Thousand Oaks Boulevard  
Suite 2250  
Memphis, TN 38120

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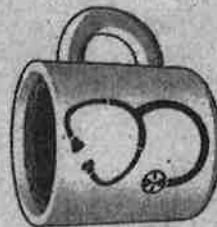
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EOE

# NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Maxim Healthcare Services (a home health agency), owned and managed by Maxim Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to expand its authorized service area to include 7 Middle Tennessee counties, which are Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury Counties. The current service consists of 9 counties: Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. The project cost is estimated at \$75,000. The agency's principal office for this service area is located at 115 East Park Drive, Suite 200, Brentwood, TN 37027.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before March 14, 2018. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Gross, Comersville;  
Phillip Randall, Jr.  
Forrest and Grant  
Asheville, North Carolina

APR 14 18 AM 11:43



## State of Tennessee

### Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243  
[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

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April 1, 2018

John Wellborn, Consultant  
Development Support Group  
4219 Hillsboro Road, Suite 210  
Nashville, TN 37215

RE: Certificate of Need Application – Maxim Healthcare Services - CN1803-013

The expansion of a home health agency's service area into the following seven counties: Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury. The agency currently serves nine Middle Tennessee counties. The principal office is located at 115 East Park Drive, Suite 200, Brentwood (Williamson County), TN. The applicant is owned by Maxim Healthcare Services, Inc. The estimated project cost is \$90,000.

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is [Trent.Sansing@tn.gov](mailto:Trent.Sansing@tn.gov) or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on April 1, 2018. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on June 27, 2018.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (2) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (3) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff is not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Melanie M. Hill". The signature is fluid and cursive, with the first name "Melanie" being more prominent than the last name "Hill".

Melanie M. Hill  
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



**State of Tennessee**


**Health Services and Development Agency**

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243  
[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

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MEMORANDUM

TO: Trent Sansing, CON Director  
Office of Policy, Planning and Assessment  
Division of Health Statistics  
Andrew Johnson Tower, 2nd Floor  
710 James Robertson Parkway  
Nashville, Tennessee 37243

FROM: Melanie M. Hill   
Executive Director

DATE: April 1, 2018

RE: Certificate of Need Application  
Maxim Healthcare Services - CN1803-013

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on April 1, 2018 and end on June 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: John Wellborn



20180309 10:18:42

**LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY**

The Publication of Intent is to be published on or before March 9, 2018, for one day, in the following newspapers of general circulation in the counties noted:

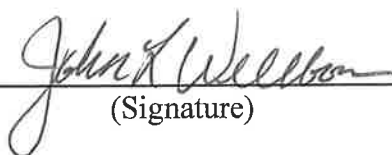
- (a) The *Tennessean*, which is a newspaper of general circulation in Bedford, Cannon, Coffee, DeKalb, Hickman, and Maury Counties;
- (b) The *Marshall County Tribune*, which is a newspaper of general circulation in Marshall County; and
- (c) the *Southern Standard*, which is a newspaper of general circulation in Cannon and DeKalb Counties.

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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Maxim Healthcare Services (a home health agency), owned and managed by Maxim Healthcare Services, Inc. (a corporation), intends to file an application for a Certificate of Need to expand its authorized service area to include 7 Middle Tennessee counties, which are Bedford, Cannon, Coffee, DeKalb, Hickman, Marshall, and Maury Counties. The current service consists of 9 counties: Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, and Wilson Counties. The project cost is estimated at \$75,000. The agency's principal office for this service area is located at 115 East Park Drive, Suite 200, Brentwood, TN 37027.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before March 14, 2018. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

 (Signature)	3-8-18 (Date)	jwdsg@comcast.net (E-mail Address)
----------------------------------------------------------------------------------------------------	------------------	---------------------------------------

# Supplemental #1 (Original)

Maxim Healthcare Services

CN1803-013

March 23, 2018

Phillip M. Earhart, HSD Examiner  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: CON Application CN1803-013  
Maxim Health Services

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

**1. Section A, Executive Summary (2) Ownership Structure, Page 3**

**Your response is noted. Please provide the ownership structure and percentage ownership of Oak Investment Trust and Oak Investment Trust II.**

The trusts do not have shareholders or members as would a corporation or LLC. They are controlled by three trustees, whose names are shown below. The trusts' beneficiaries are the individual who founded the company and several of his children, whose identities and beneficial interests are confidential and not disclosable.

Trustees:

1. Fred S. Ridley
2. R. Alan Butler
3. Randall D. Sones

**2. Section A. Project Details, Item 4.A (Type of Ownership) Page 8**

**Please provide a phone number for Maxim Health Services, Inc. and provide a replacement page 8.**

Revised page 8R is attached following the ownership information after this page.

**SECTION A (CONTINUED): PROJECT DETAILS****4.A. Owner of the Facility, Agency, or Institution**

Maxim Health Services, Inc.	410-910-1500
<i>Name</i>	<i>Phone Number</i>
7227 Lee DeForest Drive	Howard (MD)
<i>Street or Route</i>	<i>County</i>
Columbia	MD
<i>City</i>	<i>State</i>
	21046
	<i>Zip Code</i>

**B. Type of Ownership or Control (Check One)**

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)	x	I. Other (Specify):	
E. Corporation (Not-for-Profit)			

**Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website <https://tnbear.tn.gov/Ecommerce/FilingSearch.aspx>.**

See Attachment Section A-4A.

**Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.**

Please see Attachment Section A-4A. It provides the names and ownership interests of persons who own Maxim Healthcare Services, Inc., which directly holds all five Maxim home health agency licenses in Tennessee. No organization chart appears to be required in that the CON applicant has no parent company.

Page Two  
March 26, 2018

**3. Section A, 6.B (1) Plot Plan**

**Please provide a plot plan as referenced in attachment Section A-6B-1.**

**4. Section A, 6.B (2) Floor Plan**

**Please provide a floor plan as referenced in attachment A-6B-2.**

The submitted application's references to those two attachments were an error. The project requires no construction or new location and neither a plot plan or floor plan is required. Attached following this page is revised page 10R with those references removed.

**5. Section A, 6.B (3) Public Transportation Routes**

**Please provide public transportation information as referenced in Attachment Section A-6B-3.**

The submitted application's reference to public transportation was an error. There is no public transportation data required for a home health service. Attached following this page is revised page 10R with the reference removed.

**6. Section A, Purpose of Review, Item 8, Page 11**

**Please check the purpose for review and submit a replacement page 11.**

The requested correction has been made on revised page 11R, attached following this page.

**6A. Legal Interest in the Site of the Institution (Check One)**

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of <u>7</u> Years	x		

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

See Attachment Section A-6A.

**6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site, on an 8.5" X 11 sheet of white paper, single-sided. Do not submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.**

**(1) Plot Plan must include:**

- a. Size of site (in acres);
- b. Location of structure on the site;
- c. Location of the proposed construction/renovation; and
- d. Names of streets, roads, or highways that cross or border the site.

Not applicable.

**(2) Attach a floor plan drawing for the facility, which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8.5" X 11" sheet of paper or as many as necessary to illustrate the floor plan.**

Not applicable.

**(3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.**

Not applicable.

**7. Type of Institution (Check as appropriate—more than 1 may apply)**

A. Hospital (Specify):		H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		I. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency	x	K. Residential Hospice	
E. Hospice		L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital		M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID			

**8. Purpose of Review (Check as appropriate—more than 1 may apply)**

A. New Institution		F. Change in Bed Complement <i>Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation</i>	
B. Modifying an ASTC with limitation still required per CON		G. Satellite Emergency Department	
C. Addition of MRI Unit		H. Change of Location	
D. Pediatric MRI		I. Other (Specify): Expand certified county service area	X
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)			

**9. Medicaid/TennCare, Medicare Participation**

MCO Contracts (Check all that apply:			
<input checked="" type="checkbox"/> Amerigroup	<input checked="" type="checkbox"/> United Healthcare Community Plan	<input checked="" type="checkbox"/> BlueCare	
<input checked="" type="checkbox"/> TennCare Select			
Medicare Provider Number: 44-7580			
Medicaid Provider Number: 5441953			
Certification Type: Home Health Agency			
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?			
Medicare	Yes	No	N/A
Medicaid/TennCare	Yes	No	N/A

Page Three  
March 26, 2018

**7. Section A, Purpose of Review, Item 8**

**It is noted the applicant has no contract with TennCare Select. However, in the applicant's 2017 JAR the applicant provided 377,305 hours of home health aide and skilled nursing services to TennCare Select patients, or 68% of the Agency percentage of total services. Please clarify.**

The applicant is currently contracted with TennCare Select through the applicant's Blue Cross contract, which authorizes participation in both BlueCare and Select. Revised page11R with an additional check mark for TennCare is provided in response to your question #6 above.

**8. Section A, Home Health Care Organizations, Item 11, Page 14**

**It appears the applicant in error checked Carroll County rather than Cannon County for the proposed licensed county. If so, please correct and submit a revised page 14 labeled as 14R.**

Corrected and revised page 14R is provided on the following page.

**9. Section B, Need, Item 1.a. (Project Specific Criteria-Home Health Services), Page 19.**

**a. The table on page 19 with a total of 10,646 2017 home health patients served in 2017 in the proposed service area is noted. However, please clarify the reason it does not match the table on page 32 that list 9,910 home health patients during the same period and proposed service area.**

The applicant's 9,910 patient number came from applicant's page 37d, Table Need-5C--which tabulated patients reported in Schedule E (unduplicated patients) in the Joint Annual Reports of the 46 agencies included in the analysis. The applicant has carefully repeated the tabulation, and finds that it should be increased 0.4% to 9,948 patients (we have added 38 patients served by Maury Regional Home Services and by Kindred at Home/Gentiva). This small adjustment is shown in revised pages 32R, and 37dR through 37fR following this page. However, this is a negligible adjustment that does not change any of the applicant's conclusions.

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	X	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	X	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	X	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	X
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	X
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	X	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	X	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	X	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	X	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	X	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	X	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	X	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	X	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	X	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	X	X	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	X	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**3. (Continued) Please complete the following tables, if applicable:**

The following patients served are from Schedule E of the 2017 HHA Joint Annual Reports.

<b>Service Area Counties</b>	<b>Historical Patients by County Residents 2017 JAR</b>	<b>% of Total Patients</b>
Bedford	1,541	15.5%
Cannon	871	8.8%
Coffee	2,648	26.7%
DeKalb	959	9.7%
Hickman	654	6.2%
Marshall	777	7.8%
Maury	2,498	25.2%
Totals	<b>9,948</b>	100.0%

The following data are from the Department of Health's projection of home health agency need (surplus) based on FYE 2017 data in the Joint Annual Reports. However, Marshall and Maury's projections are reversed by the applicant on the belief that the TDH Projection of Home Health Agency needs reversed these two counties' historical data. Correcting that by reversing the TDH numbers gives a projection that is very consistent with the historical patient numbers in the table above.

<b>Service Area Counties</b>	<b>Projected Patients by County Residents 2020</b>	<b>% of Total Patients</b>
Bedford	1,615	15.6%
Cannon	890	8.7%
Coffee	2,844	26.6%
DeKalb	982	9.6%
Hickman	683	6.2%
Marshall	744	7.9%
Maury	3,201	25.4%
Totals	<b>10,958*</b>	100.0%

*\*Numbers are rounded and when expressed as whole numbers they do not add exactly to 10,958.*

Table Need-5C: Existing Agency Utilization From, and Dependence on, the Project Service Area--By Agency Name (Revised on Supplemental)																	
Health Statistics ID	Agency County		Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area	MAURY					Total Agency Patients in TN	% of Agency's TN Patients Coming From Project Service Area	Agency's Pediatric Patients From Project Service Area--As % of Agency's Total Patients From Project Service Area	Agency's Pediatric Patients From Project Service Area--As % of Agency's Total Patients From Project Service Area			
						BEDFORD	CANNON	COFFE	DEKALB	HICKMAN					MARSHALL		
19714	Davidson	Adoration Home Health, LLC (Tennessee HH)	24	7	29.2%	60	112	87	16	1	4	281	1,811	15.5%	1.07%	0.17%	
26054	Franklin	Amedisys Home Care	16	5	31.3%	3	723	168				171	723	23.7%	0	0.00%	
75054	Rutherford	Amedisys Home Health	7	3	42.9%	64	27					91	508	17.9%	0	0.00%	
19674	Davidson	Amedisys Home Health (10th Avenue S)	16	2	12.5%				46		2	48	1,711	2.8%	0	0.00%	
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	22	6	27.3%							0	1,121	0.0%	0	0.00%	
75064	Rutherford	Amedisys Home Health Care	19	5	26.3%	1						485	1,206	40.2%	0	0.00%	
19684	Davidson	Amedisys Home Health Services	10	1	10.0%				115	369		0	898	0.0%	0	0.00%	
95084	Wilson	American National Home Health	10	1	10.0%							0	214	0.0%	0	0.00%	
19504	Davidson	Brookdale Home Health Nashville	22	4	18.2%						1	1	899	0.1%	0	0.00%	
19724	Davidson	Careall	28	5	17.9%	8	1		4	1	16	30	693	4.7%	5	16.77%	
89074	Warren	Cereall Home Care Services	10	3	30.0%		16	35	6			57	529	10.8%	5	8.77%	
19734	Davidson	Coram CVS Specialty Infusion Services	38	7	18.4%					1	3	4	35	11.4%	0	0.00%	
14024	Clay	Cumberland River Homecare	10	1	10.0%							0	414	0.0%	0	0.00%	
52024	Lincoln	Deaconess Homecare	25	6	24.0%	10		10		6		26	334	7.8%	0	0.00%	
95034	Wilson	Deaconess Homecare I	21	5	23.8%		1		1			1	828	0.1%	0	0.00%	
19494	Davidson	Elk Valley Health Services, Inc.	96	7	7.3%	6		7	2	3	4	8	30	468	6.4%	15	50.00%
26024	Franklin	Encompass Home Health of Tennessee	34	7	20.6%	34	2	79	1	7	34	157	1,777	8.8%	0	0.00%	
89084	Warren	Friendship Home Health, Inc.	10	3	30.0%		1	20				21	186	11.3%	0	0.00%	
19614	Davidson	Friendship Home Healthcare, Inc.	14	4	28.6%	2		13	1		4	20	537	3.7%	0	0.00%	
94074	Williamson	Guardian Home Care of Nashville, LLC	14	1	7.1%				70			70	1,607	4.4%	0	0.00%	
40075	Henry	Henry County Medical Center Home Health	12	1	8.3%							0	412	0.0%	0	0.00%	
02024	Bedford	Heritage Home Health	7	3	42.9%	290		136		21		447	529	84.5%	0	0.00%	
71014	Pulaski	Highland Rim Home Health Agency	14	1	7.1%			4				4	620	0.6%	0	0.00%	
83114	Sunner	Highpoint Homecare	10	1	10.0%				9			9	1,699	0.5%	0	0.00%	
06063	Bradley	Home Health Care of East Tennessee, Inc	17	1	5.9%			8				8	1,810	0.4%	4	50.00%	
19584	Davidson	Home Health Care of Middle Tennessee	14	4	28.6%		12		8	19	161	200	2,608	7.7%	6	3.00%	
19544	Davidson	Homecare Solutions, Inc.	96	7	7.3%	1			98			99	1,475	6.7%	0	0.00%	
19364	Davidson	Intrepid USA Healthcare Services	19	7	36.8%							0	588	0.0%	0	0.00%	
71084	Pulaski	Intrepid USA Healthcare Services	8	1	12.5%							0	249	0.0%	0	0.00%	
89064	Warren	Intrepid USA Healthcare Services	16	5	31.3%	41	17	284	40	1		383	877	43.7%	0	0.00%	
19084	Davidson	Kindred at Home (Rta Gentiva Hlth Svcs)	12	1	8.3%				1		25	27	1,147	2.4%	0	0.00%	
95074																	

[illegible]

**Table Need-5D: Existing Agency Utilization From, and Agency Dependence on, the Project Service Area--By Percent Dependence  
(Revised on Supplemental)**

Health Statistics ID	Agency County	Agency Name	Number of Counties Agency is Licensed to Serve	No. of Agency's Counties in Project Service Area	Percent of Agency's Counties in Project Service Area	Agency's Patients From Project Service Area Counties	Agency's Total Patients in TN	% of Agency's Total TN Patients from Service Area Counties
02024	Bedford	Heritage Home Health (Tennova HH)	7	3	42.9%	447	529	84.5%
60044	Maury	Maury Regional Home Services	8	2	25.0%	1,161	1,548	75.0%
41034	Hickman	St. Thomas Home Health	8		0.0%	213	297	71.7%
16034	Coffee	Suncrest Home Health	15	5	33.3%	2,391	4,206	56.8%
89064	Warren	Intrepid USA Healthcare Services	16	5	31.3%	383	877	43.7%
75064	Rutherford	Amedisys Home Health Care	19	5	26.3%	485	1,206	40.2%
60024	Maury	NHC Homecare	21	4	19.0%	1,069	2,855	37.4%
60084	Maury	Quality First Home Care	5	2	40.0%	385	1,181	32.6%
21024	DeKalb	Suncrest Home Health	7	2	28.6%	1,327	5,322	24.9%
26054	Franklin	Amedisys Home Care	16	5	31.3%	171	723	23.7%
75054	Rutherford	Amedisys Home Health	7	3	42.9%	91	508	17.9%
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	24	7	29.2%	281	1,811	15.5%
19694	Davidson	Willowbrook Home Health Care Agency	36	7	19.4%	237	1,960	12.1%
19734	Davidson	Coram CVS Specialty Infusion Services	38	7	18.4%	4	35	11.4%
89084	Warren	Friendship Home Health, Inc.	10	3	30.0%	21	186	11.3%
89074	Warren	Careall Home Care Services	10	3	30.0%	57	529	10.8%
26024	Franklin	Encompass Home Health of Tennessee	34	7	20.6%	157	1,777	8.8%
75024	Rutherford	NHC Homecare	24	5	20.8%	396	4,695	8.4%
52024	Lincoln	Deaconess Homecare	25	6	24.0%	26	334	7.8%
19584	Davidson	Home Health Care of Middle Tennessee	14	4	28.6%	200	2,608	7.7%
19544	Davidson	Homecare Solutions, Inc.	96	7	7.3%	99	1,475	6.7%
19494	Davidson	Elk Valley Health Services, Inc.	96	7	7.3%	30	468	6.4%
19724	Davidson	Careall	28	5	17.9%	30	633	4.7%
94074	Williamson	Guardian Home Care of Nashville, LLC	14	1	7.1%	70	1,607	4.4%
19614	Davidson	Friendship Home Healthcare, Inc	14	4	28.6%	20	537	3.7%
19674	Davidson	Amedisys Home Health (10th Avenue S)	16	2	12.5%	48	1,711	2.8%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	15	2	13.3%	33	1,245	2.7%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	12	1	8.3%	27	1,147	2.4%
20055	Decatur	Volunteer Homecare of West Tennessee	17	1	5.9%	39	2,035	1.9%
20045	Decatur	Tennessee Quality Homecare-Southwest	24	2	8.3%	26	1,465	1.8%
71014	Putnam	Highland Rim Home Health Agency	14	1	7.1%	4	620	0.6%
83114	Sumner	Highpoint Homecare	10	1	10.0%	9	1,699	0.5%
06063	Bradley	Home Health Care of East Tennessee, Inc	17	1	5.9%	8	1,810	0.4%
52044	Lincoln	Lincoln Medical Home Health & Hospice	7	3	42.9%	1	359	0.3%
95034	Wilson	Deaconess Homecare I	21	5	23.8%	1	828	0.1%
19504	Davidson	Brookdale Home Health Nashville	22	4	18.2%	1	899	0.1%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	22	6	27.3%	0	1,121	0.0%
19664	Davidson	Amedisys Home Health Services	10	1	10.0%	0	898	0.0%
95084	Wilson	American National Home Health	10	1	10.0%	0	214	0.0%
14024	Clay	Cumberland River Homecare	10	1	10.0%	0	414	0.0%
40075	Henry	Henry County Medical Center Home Health	12	1	8.3%	0	412	0.0%
19364	Davidson	Intrepid USA Healthcare Services	19	7	36.8%	0	588	0.0%
71084	Putnam	Intrepid USA Healthcare Services	8	1	12.5%	0	249	0.0%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	11	1	9.1%	0	1,168	0.0%
19394	Davidson	Vanderbilt Community & Home Services	20	7	35.0%	0	64	0.0%
19394	Davidson	Vanderbilt HC/Option Care IV Services	33	7	21.2%			
<b>TOTALS &amp; AVERAGE</b>						<b>9,948</b>	<b>56,853</b>	<b>17.5%</b>

Source: TDH 2017 Joint Annual Reports; HSDA Registry for authorized counties.

Table Need-5E: Existing Agency Dependence on Service Area Pediatric Patients (Revised on Supplemental)

Health Statistics ID	Agency County		Agency Patients From Project Service Area Counties	Total Agency Patients in TN	% of Agency's TN Patients Coming from Project Service Area	Agency's Pediatric Patients From Service Area Counties	Agency's Pediatric Patients From Project Service Area As % of Agency's Total Patients from Project Service Area	Agency's Pediatric Patients From Project Service Area As % of Agency's Statewide Patients
19494	Davidson	Elk Valley Health Services, Inc.	30	468	6.4%	15	50.00%	3.21%
60084	Maury	Quality First Home Care	385	1,181	32.6%	22	5.71%	1.86%
89074	Warren	Careall Home Care Services	57	529	10.8%	5	8.77%	0.95%
19724	Davidson	Careall	30	633	4.7%	5	16.67%	0.79%
60044	Maury	Maury Regional Home Services	1,161	1,548	75.0%	10	0.86%	0.65%
19584	Davidson	Home Health Care of Middle Tennessee	200	2,608	7.7%	6	3.00%	0.23%
06063	Bradley	Home Health Care of East Tennessee, Inc	8	1,810	0.4%	4	50.00%	0.22%
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	281	1,811	15.5%	3	1.07%	0.17%
60024	Maury	NHC Homecare	1,069	2,855	37.4%	1	0.09%	0.04%
21024	DeKalb	Suncrest Home Health	1,327	5,322	24.9%	1	0.08%	0.02%
02024	Bedford	Heritage Home Health	447	529	84.5%	0	0.00%	0.00%
14024	Clay	Cumberland River Homecare	0	414	0.0%	0	0.00%	0.00%
16034	Coffee	Suncrest Home Health	2,391	4,206	56.8%	0	0.00%	0.00%
19684	Davidson	Amedisys Home Health (10th Avenue S)	48	1,711	2.8%	0	0.00%	0.00%
19024	Davidson	Amedisys Home Health (Glen Echo Rd)	0	1,121	0.0%	0	0.00%	0.00%
19664	Davidson	Amedisys Home Health Services	0	898	0.0%	0	0.00%	0.00%
19504	Davidson	Brookdale Home Health Nashville	1	899	0.1%	0	0.00%	0.00%
19734	Davidson	Coram CVS Specialty Infusion Services	4	35	11.4%	0	0.00%	0.00%
19614	Davidson	Friendship Home Healthcare, Inc	20	537	3.7%	0	0.00%	0.00%
19544	Davidson	Homecare Solutions, Inc.	99	1,475	6.7%	0	0.00%	0.00%
19364	Davidson	Intrepid USA Healthcare Services	0	588	0.0%	0	0.00%	0.00%
19084	Davidson	Kindred at Home (fka Gentiva Hlth Svcs)	27	1,147	2.4%	0	0.00%	0.00%
19394	Davidson	Vanderbilt Community & Home Services	0	64	0.0%	0	0.00%	0.00%
19694	Davidson	Willowbrook Home Health Care Agency	237	1,960	12.1%	0	0.00%	0.00%
20045	Decatur	Tennessee Quality Homecare-Southwest	26	1,465	1.8%	0	0.00%	0.00%
20055	Decatur	Volunteer Homecare of West Tennessee	39	2,035	1.9%	0	0.00%	0.00%
26054	Franklin	Amedisys Home Care	171	723	23.7%	0	0.00%	0.00%
26024	Franklin	Encompass Home Health of Tennessee	157	1,777	8.8%	0	0.00%	0.00%
40075	Henry	Henry County Medical Center Home Health	0	412	0.0%	0	0.00%	0.00%
41034	Hickman	St. Thomas Home Health	213	297	71.7%	0	0.00%	0.00%
52024	Lincoln	Deaconess Homecare	26	334	7.8%	0	0.00%	0.00%
52044	Lincoln	Lincoln Medical Home Health & Hospice	1	359	0.3%	0	0.00%	0.00%
63044	Montgomery	Suncrest Home Health of Nashville, Inc.	0	1,168	0.0%	0	0.00%	0.00%
71014	Putnam	Highland Rim Home Health Agency	4	620	0.6%	0	0.00%	0.00%
71084	Putnam	Intrepid USA Healthcare Services	0	249	0.0%	0	0.00%	0.00%
75054	Rutherford	Amedisys Home Health	91	508	17.9%	0	0.00%	0.00%
75064	Rutherford	Amedisys Home Health Care	485	1,206	40.2%	0	0.00%	0.00%
75024	Rutherford	NHC Homecare	396	4,695	8.4%	0	0.00%	0.00%
83114	Sumner	Highpoint Homecare	9	1,699	0.5%	0	0.00%	0.00%
89084	Warren	Friendship Home Health, Inc.	21	186	11.3%	0	0.00%	0.00%
89064	Warren	Intrepid USA Healthcare Services	383	877	43.7%	0	0.00%	0.00%
94074	Williamson	Guardian Home Care of Nashville, LLC	70	1,607	4.4%	0	0.00%	0.00%
95084	Wilson	American National Home Health	0	214	0.0%	0	0.00%	0.00%
95034	Wilson	Deaconess Homecare I	1	828	0.1%	0	0.00%	0.00%
95074	Wilson	Kindred at Home (fka Gentiva Hlth Svcs)	33	1,245	2.7%	0	0.00%	0.00%
19394	Davidson	Vanderbilt HC/Option Care IV Services						
<b>TOTALS</b>			<b>9,948</b>	<b>56,853</b>	<b>17.5%</b>	<b>72</b>	<b>0.72%</b>	<b>0.13%</b>

Source: TDH 2017 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

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March 26, 2018

The applicant has asked TDH to look into why its methodology differs from the JAR Schedule E data. It may be found that the TDH included data on specialized agencies such as Optum Women's and Children's Health, which is authorized only to serve high-risk pregnant women. These were excluded from the applicant's analysis because they are not "similar" providers. Or TDH data may have come from a JAR section other than Section E. The applicant can not provide the explanation at this time. That is TDH's responsibility.

However, please note that the difference now between the TDH's and the applicant's "patients served" (10,646 vs. 9,948) is now only 6.5%, which does not appear to be significant in terms of evaluating the need for the project. The applicant continues to regard the State Plan methodology as unreliable in projecting need for home care services.

**b. Marshall County 2017 home health patient utilization appear to be overstated and Maury County 2017 home health patient utilization appear to be understated as compared to the table on page 32. Please verify all 2017 JAR home health utilization for the proposed service area and if needed revise the table on page 19.**

The full TDH table of all counties is attached following this page, to verify that page 19 accurately reproduced TDH data. Mr. Trent Sansing at TDH is looking into the seemingly over- and under-statement of the two counties' data, and may provide the Agency with additional information. Please note that the applicant's tabulation from original JAR's indicates 777 and 2,498 patients served in Marshall and Maury Counties, respectively, based on Schedule E .

**c. It appears Pentec Health, Vanderbilt HC w/ Option Care IV Services, and Implanted Pump Management did not report 2017 JAR information for the proposed service area. Please clarify.**

Pentec and Implanted Pump Management have not yet received State ID numbers or had their first JAR due. The Vanderbilt agency simply did not file a 2017 JAR and the applicant has no knowledge of why.

March 26, 2018

## Joint Annual Report of Home Health Agencies - 2017 Final

## Comparison of Population Based Need Projection vs. Actual Utilization (2020 vs. 2017)\*\*

Service Area	Agencies Report Serving	Total Patients Served	Estimated 2017 Pop.	Use Rate	Projected 2020 Pop.	Projected Capacity	Projected Need (.015 x 2020 Pop.)	Need or (Surplus) for 2020
Tennessee	1,530	171,797	6,886,441	0.0249471389	7,112,424	177,435	106,686	(70,748)
Anderson	20	2,375	78,026	0.0304385718	79,061	2,407	1,186	(1,221)
Bedford	20	1,563	50,301	0.0310729409	51,961	1,615	779	(835)
Benton	12	773	16,700	0.0462874251	16,741	775	251	(524)
Bledsoe	12	301	13,333	0.0225755644	13,481	304	202	(102)
Blount	20	2,786	134,882	0.0206550911	139,725	2,886	2,096	(790)
Bradley	19	2,815	106,600	0.0264071295	109,706	2,897	1,646	(1,251)
Campbell	21	1,106	41,559	0.0266127674	41,787	1,112	627	(485)
Cannon	14	873	14,562	0.0599505562	14,838	890	223	(667)
Carroll	15	1,543	28,744	0.0536807682	28,782	1,545	432	(1,113)
Carter	12	1,811	59,848	0.0302599920	60,733	1,838	911	(927)
Cheatham	25	850	41,038	0.0207125104	41,692	864	625	(238)
Chester	13	505	18,450	0.0273712737	18,978	519	285	(235)
Claiborne	16	1,174	34,038	0.0344908632	34,713	1,197	521	(677)
Clay	8	236	7,884	0.0299340436	7,875	236	118	(118)
Cocke	14	1,237	37,163	0.0332857950	37,663	1,254	565	(689)
Coffee	18	2,773	56,423	0.0491466246	57,865	2,844	868	(1,976)
Crockett	11	623	14,936	0.0417113016	15,080	629	226	(403)
Cumberland	15	1,672	62,847	0.0266042930	65,575	1,745	984	(761)
Davidson	32	12,462	689,338	0.0180782142	714,756	12,922	10,721	(2,200)
Decatur	14	629	11,992	0.0524516344	12,077	633	181	(452)
DeKalb	15	962	19,796	0.0485956759	20,206	982	303	(679)
Dickson	20	1,318	54,315	0.0242658566	56,210	1,364	843	(521)
Dyer	11	2,225	39,458	0.0563890719	39,872	2,248	598	(1,650)
Fayette	18	793	45,626	0.0173804410	48,510	843	728	(115)
Fentress	9	722	18,957	0.0380861951	19,309	735	290	(446)
Franklin	17	1,311	42,255	0.0310259141	42,681	1,324	640	(684)
Gibson	18	2,044	51,668	0.0395602694	52,438	2,074	787	(1,288)
Giles	11	908	30,385	0.0298831660	30,691	917	460	(457)
Grainger	19	975	24,073	0.0405018070	24,577	995	369	(627)
Greene	19	2,135	73,075	0.0292165583	74,656	2,181	1,120	(1,061)
Grundy	14	475	13,999	0.0339309951	14,088	478	211	(267)
Hamblen	18	2,640	65,774	0.0401374403	67,028	2,690	1,005	(1,685)
Hamilton	18	8,700	359,331	0.0242116600	368,666	8,926	5,530	(3,396)
Hancock	10	434	6,970	0.0622668580	7,007	436	105	(331)
Hardeman	14	836	27,287	0.0306372998	27,278	836	409	(427)
Hardin	15	1,141	26,618	0.0428657300	26,783	1,148	402	(746)
Hawkins	18	1,905	59,043	0.0322646207	59,784	1,929	897	(1,032)
Haywood	12	538	18,348	0.0293219969	18,128	532	272	(260)
Henderson	14	1,272	29,595	0.0429802331	30,298	1,302	454	(848)
Henry	11	1,355	33,605	0.0403213807	34,055	1,373	511	(862)
Hickman	18	664	26,619	0.0249445885	27,363	683	410	(272)
Houston	12	234	8,943	0.0261657162	9,157	240	137	(102)
Humphreys	14	631	19,042	0.0331372755	19,185	636	288	(348)
Jackson	10	344	12,191	0.0282175375	12,375	349	186	(164)
Jefferson	21	1,609	56,406	0.0285253342	58,372	1,665	876	(790)
Johnson	8	657	18,876	0.0348061030	19,112	665	287	(379)
Knox	25	9,452	472,075	0.0200222422	488,993	9,791	7,335	(2,456)
Lake	7	434	8,377	0.0518085233	8,579	444	129	(316)
Lauderdale	12	1,045	28,799	0.0362859822	29,186	1,059	438	(621)
Lawrence	12	1,479	43,344	0.0341223699	43,849	1,496	658	(838)
Lewis	9	350	12,834	0.0272713106	13,072	356	196	(160)

March 26, 2018

## Joint Annual Report of Home Health Agencies - 2017 Final

## Comparison of Population Based Need Projection vs. Actual Utilization (2020 vs. 2017)\*\*

Service Area	Agencies Report Serving	Total Patients Served	Estimated 2017 Pop.	Use Rate	Projected 2020 Pop.	Projected Capacity	Projected Need (.015 x 2020 Pop.)	Need or (Surplus) for 2020
Lincoln	14	1,110	34,891	0.0318133616	35,469	1,128	532	(596)
Loudon	24	1,536	55,192	0.0278301203	57,923	1,612	869	(743)
McMinn	17	871	54,783	0.0158990928	55,724	886	836	(50)
McNairy	23	2,598	27,337	0.0950360318	27,760	2,638	416	(2,222)
Macon	18	1,343	23,639	0.0568128939	24,202	1,375	363	(1,012)
Madison	13	1,295	104,031	0.0124482126	106,352	1,324	1,595	271
Marion	16	597	29,649	0.0201355864	30,129	607	452	(155)
Marshall	18	3,094	33,491	0.0923830283	34,648	3,201	520	(2,681)
Maury	17	717	89,512	0.0080100992	92,944	744	1,394	650
Meigs	17	386	12,285	0.0314204314	12,462	392	187	(205)
Monroe	16	1,414	48,511	0.0291480283	50,062	1,459	751	(708)
Montgomery	23	3,163	206,595	0.0153101479	221,620	3,393	3,324	(69)
Moore	9	65	6,869	0.0094628039	7,056	67	106	39
Morgan	18	445	23,626	0.0188351816	24,288	457	364	(93)
Obion	12	1,445	31,655	0.0456483968	31,559	1,441	473	(967)
Overton	10	667	23,678	0.0281696089	24,291	684	364	(320)
Perry	6	332	8,315	0.0399278413	8,466	338	127	(211)
Pickett	7	218	5,223	0.0417384645	5,264	220	79	(141)
Polk	13	476	17,538	0.0271410651	17,812	483	267	(216)
Putnam	15	3,035	80,838	0.0375442243	84,087	3,157	1,261	(1,896)
Rhea	17	683	34,262	0.0199346214	35,216	702	528	(174)
Roane	21	1,758	55,813	0.0314980381	56,301	1,773	845	(929)
Robertson	28	1,597	75,017	0.0212885079	78,659	1,675	1,180	(495)
Rutherford	32	5,155	323,441	0.0159379918	350,488	5,586	5,257	(329)
Scott	14	709	22,976	0.0308582869	23,224	717	348	(368)
Sequatchie	17	367	16,125	0.0227596899	16,943	386	254	(131)
Sevier	18	1,862	102,998	0.0180780209	108,468	1,961	1,627	(334)
Shelby	27	17,580	964,804	0.0182213175	981,022	17,876	14,715	(3,160)
Smith	15	814	20,378	0.0399450388	20,833	832	312	(520)
Stewart	12	351	14,118	0.0248618785	14,402	358	216	(142)
Sullivan	15	5,572	159,191	0.0350019788	159,749	5,592	2,396	(3,195)
Sumner	30	4,207	181,647	0.0231603054	190,261	4,407	2,854	(1,553)
Tipton	17	1,122	68,247	0.0164402831	71,196	1,170	1,068	(103)
Trousdale	16	261	8,477	0.0307891943	8,739	269	131	(138)
Unicoi	10	638	18,921	0.0337191480	19,150	646	287	(358)
Union	14	390	20,020	0.0194805195	20,320	396	305	(91)
Van Buren	9	203	5,661	0.0358593888	5,686	204	85	(119)
Warren	16	2,063	41,019	0.0502937663	41,446	2,084	622	(1,463)
Washington	15	3,723	135,611	0.0274535252	140,905	3,868	2,114	(1,755)
Wayne	10	753	17,491	0.0430507118	17,642	760	265	(495)
Weakley	14	1,175	36,205	0.0324540809	36,360	1,180	545	(635)
White	17	1,519	27,781	0.0546776574	28,541	1,561	428	(1,132)
Williamson	33	3,572	220,746	0.0161814937	241,597	3,909	3,624	(285)
Wilson	27	3,221	131,486	0.0244969046	138,561	3,394	2,078	(1,316)

\*Most recent year of Joint Annual Report data for Home Health Agencies

\*\*Data is projected three years from the latest available year of final Home Health Joint Annual Report data.

Population Data Source: The University of Tennessee Center for Business and Economic Research Projection Data Files, reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment.

Note: Population data may not match University of Tennessee data exactly due to rounding.

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**10. Section B, Need, Item 1.a. (Project Specific Criteria-Home Health Services)  
Item #4**

**a. Please explain why there are no support letters from providers located within the proposed 7 county service area.**

Most of Maxim's patients are children and adolescents with complex care needs. Such patients living in rural areas are typically not cared for by providers in their home counties. They are cared for by pediatric specialists and subspecialists in large urban hospitals such as Vanderbilt and Saint Thomas Murfreesboro. There are no letters from providers located in the 7-county rural area, because rurally-based medical practices rarely include such patients. Maxim's strong support letters are from physicians, nurses, and other persons in nearby urban areas who do have direct experience of the difficulties of obtaining what Maxim will provide to the area.

**b. Please explain why Dekalb County is left off all submitted support letters except for one.**

The applicant is not able to explain why this occurred; it was the decision of the persons who wrote the letters.

**c. It is noted there are 2 support letters from Mercy Community Health expressing the need for adult home health services in the proposed service area. Please clarify if this is an error since the applicant is proposing to provide a majority of home health services to pediatric patients.**

This does not appear to be an error. It appears to be their intent to identify a need for more home care for both adults and younger persons, of the types Maxim is known to provide.

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March 26, 2018

**d. Please provide letters from providers who were unable to successfully refer a pediatric, adult, and/or geriatric patient to a home care organization and/or were dissatisfied with the quality of services provided by existing home care organization based on Medicare's system Home Health compare and/or similar data. Please also include instances where potential patients or providers in the proposed service area attempted to find appropriate home health services but were not able to secure such services.**

Respectfully, the applicant can not provide more specific letters. The applicant believes that accusatory negative letters citing agencies for not meeting specific patients' needs are not obtainable from medical providers who must utilize existing agencies to the extent possible. Not only business relationship issues, and medical confidentiality issues, but also personal liability issues, are legitimate concerns to professionals when voicing their feelings. The letters provided by Maxim show clearly that these providers are having a less than optimal experience in obtaining appropriate and timely home care for their patients.

**11. Section B, Need, Item 1.a. (Project Specific Criteria-Home Health Services)  
Item #5**

**a. The applicant notes it is possible Vanderbilt HC/Option Care IV services may have merged with another agency. Please verify the licensure status of Vanderbilt HC/Option Care IV services with the Tennessee Department of Health.**

The TDH website shows that this Agency holds license #609, which is scheduled to expire August 1, 2018. The website says that the Agency's accreditation expired April 14, 1997. That is all the information available to the applicant.

**b. Please clarify the location in the application where the applicant provided three years of JAR patient data for every home health agency with authorization to provide home care to patients in any of the counties in the project service area.**

It is provided in Table Need-5-J on page 37K of the submitted application.

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March 26, 2018

**12. Section B, Need, Item 1.a. (Project Specific Criteria-Home Health Services)  
Item #8**

**a. Please clarify if the applicant will contract with TennCare Select.**

The applicant does already contract with TennCare Select through its contract with Blue Cross, who administers Select. Please see revised page 11R that was provided in response to your supplemental question #12.

**b. Please review the letter titled “Are you thinking about applying for a CON to provide Home Health or Private Duty Nursing Services in Tennessee” from TennCare and confirm the applicant understands each key point included in the letter at the following web-site: <https://www.tn.gov/content/dam/tn/hsda/documents/TennCare%20Memo%20Relating%20to%20Home%20Health.pdf>**

The applicant has reviewed the letter as requested. This letter is familiar to the applicant, who is currently contracted to all area MCO’s.

**c. Please provide documentation from each Managed Care Organization as to whether their panels are open and there is a need for home health services in the proposed 7 County service area.**

Attached after this page are emails from each MCO, showing positive support for the expansion proposed in this application, and indicating that its inclusion in Maxim’s contracts will be approved.

**March 26, 2018**

**9:52 A.M.**

CONFIRMATION FROM UNITED HEALTHCARE

**From:** Clark, Beth A [[mailto:beth\\_a\\_clark@uhc.com](mailto:beth_a_clark@uhc.com)]  
**Sent:** Wednesday, March 21, 2018 4:58 PM  
**To:** Gary Boldizsar  
**Cc:** Zeoli, Cheryl M  
**Subject:** RE: Maxim Healthcare Nashville CON Expansion Support

Maxim Healthcare has had a national agreement in place with United Healthcare since 2006 and is contracted to provide services for Commercial, Medicare and Medicaid where Maxim has applicable licensure. Maxim obtaining a CON for the seven counties in Tennessee (Maury, Marshall, Cannon, Hickman, Bedford, Dekalb and Coffee) would provide United with additional coverage in those counties and provides patients with expanded access to care.

Thanks,

**BethAnn**

Beth Ann Clark  
UnitedHealth Networks  
Manager, National Ancillary Strategy & Contracting  
1 Penn Plaza 8<sup>th</sup> floor New York, NY 10119  
212-216-6914  
[beth\\_a\\_clark@UHC.com](mailto:beth_a_clark@UHC.com)

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CONFIRMATION FROM AMERIGROUP

**From:** Kinnard, Paula C. [<mailto:Paula.Kinnard@amerigroup.com>] **Sent:** Thursday, March 22, 2018 11:01 AM **To:** Steven Rider; McNeal, Stephanie; Thomas, Christa **Cc:** Matt Corbin **Subject:** RE: Maxim Healthcare Nashville CON Expansion Support

Hi Steven. Yes, we would be able to add these counties to the current Amerigroup contract. Our provider panel is still open for home health and private duty nursing services.

Thanks so much. Keep us posted.

**Paula Kinnard**, *Provider Network Manager Senior*  
*Amerigroup Community Care of Tennessee*  
22 Century Boulevard, Suite 220, Nashville, Tennessee 37214  
O: (615) 316-2479 | M: (615) 509-0840  
[paula.kinnard@amerigroup.com](mailto:paula.kinnard@amerigroup.com)

**March 26, 2018**

**9:52 A.M.**

**CONFIRMATION FROM BLUECARE/SELECT**

**From:** "Burdette, Steve" <[Steven\\_Burdette@bcbst.com](mailto:Steven_Burdette@bcbst.com)>

**Date:** March 21, 2018 at 7:28:48 AM CDT

**To:** 'Matt Corbin' <[macorbin@maxhealth.com](mailto:macorbin@maxhealth.com)>, "Liebhart, Mary Beth"

<[Mary\\_Liebhart@bcbst.com](mailto:Mary_Liebhart@bcbst.com)>, "Mason, Shawanna" <[Shawanna\\_Mason@BCBST.COM](mailto:Shawanna_Mason@BCBST.COM)>,

"Curtis, Tracy" <[Tracy\\_Curtis@BCBST.com](mailto:Tracy_Curtis@BCBST.com)>

**Cc:** Jimmy Nichols <[jnichol@maxhealth.com](mailto:jnichol@maxhealth.com)>, Laurie Phipps <[laphipps@maxhealth.com](mailto:laphipps@maxhealth.com)>,

Steven Rider <[strider@maxhealth.com](mailto:strider@maxhealth.com)>

**Subject: RE: Maxim Healthcare Nashville CON Expansion Support**

Good morning Matt,

Thank you for the information below. By way of this e-mail I can confirm that should Maxim be successful in expanding their service area to the counties listed below, BCBST will be able to add these locations to Maxim's contract for services for our members. If you need any additional information regarding this please let me know.

Thanks,

Steve

Steve Burdette

Director, Provider Networks & Contracting

Ancillary & Behavioral Health



1 Cameron Hill Circle

Chattanooga, TN 37402

Office: 423.535.1107

E-mail: [Steve\\_Burdette@bcbst.com](mailto:Steve_Burdette@bcbst.com)

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**13. Section B, Need, Item 1.a. (Project Specific Criteria-Home Health Services)  
Item #10**

**a. Please provide documentation of access of adequately trained staff specific to the needs of the pediatric home health population and a plan to provide ongoing best practice education. In your response, please provide the source of the best practice education.**

Maxim recruits its caregiver staff from the pool of experienced home health care nurses that are available to drive to patient homes within its service area. Maxim has never been unsuccessful in attracting a sufficient and highly capable workforce for new service areas.

For nurses who have served primarily adult patients in the past, Maxim provides a special training program called “Adults to Peds”, in which skilled supervisors assess their skills and training needs and design a program to ensure their competencies in pediatric services. This includes in-home patient care orientation, under the direction of an experienced RN supervisor.

All Maxim nurse caregivers are given an annual Pediatric Competency Assessment and must complete 12 credits of continuing education and training each year from an array of pediatric training modules, including but not limited to the following 16. Teams utilize the Visiting Nurse Association of America’s CLINICAL PROCEDURE MANUAL 18th EDITION - Specifically Section 19: Pediatrics.

- 1.) Approach to Pediatric Physical Assessment (1 ICE/1 CEU)
- 2.) Beginning Pediatric Nursing: Adolescents (1 ICE/0.50 CEU)
- 3.) Beginning Pediatric Nursing: Neonates, Infants and Toddlers (1 ICE/0.50 CEU)
- 4.) Beginning Pediatric Nursing: Preschoolers (1 ICE/0.50 CEU)
- 5.) Beginning Pediatric Nursing: School-age Children (1 ICE/0.50 CEU)
- 6.) Family-Centered Care/Cultural Aspects in Pediatrics (1 ICE/1 CEU)
- 7.) Identifying and Managing Pain in Children (2 ICE/1.50 CEU)
- 8.) Neurological Assessment of the Pediatric Patient (1 ICE/1 CEU)
- 9.) Parents of Hospitalized Children (1 ICE/1 CEU)
- 10.) Pediatric Hydration and Fluid Volume Distribution (2 ICE/2 CEU)
- 11.) Pediatric Medication Calculation and Administration (2 ICE/1.50 CEU)
- 12.) Pediatric Physical Assessment Part 1 (1 ICE/1 CEU)
- 13.) Pediatric Physical Assessment Part 2 (1 ICE/1 CEU)
- 14.) Pediatrics and Disabilities (1 ICE)
- 15.) Respiratory Distress in the Pediatric Patient: Anatomy, Physiology, and Breath Sounds (1 ICE/0.50 CEU)
- 16.) Respiratory Distress in the Pediatric Patient: Assessment and Intervention (1 ICE/0.50 CEU)

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**b. Please use population, service, special needs, and/or incidence rates to document the need for additional pediatric home health services in the proposed 7 county service area.**

The pediatric population of Tennessee in 2017 (age 0-17) was estimated by TDH to be 1,582,441. The Tennessee Department of Health, Health Statistics section reports that 3,602 pediatric patients were served in Tennessee in 2016/2017, according to JAR Schedule E data. That was a rate of 227.62302 patients per 100,000 Tennessee residents age 0-17 years:

State population ages 0-17 years, 2017:	1,582,441
Pediatric home health patients, 2017:	3,602
Pediatric patient rate/100,000 ped. population:	227.62302

In the project service area, the pediatric population was 67,986 in 2017.

2017 Pediatric Population Project Service Area	
Bedford	13,180
Cannon	2,936
Coffee	13,195
DeKalb	4,303
Hickman	5,415
Marshall	7,758
Maury	21,199
Service Area	67,986

Applying the Statewide pediatric patient home healthcare rate to the service area indicates that there may be as many as 155 pediatric patients who needed care.

Pediatric Patient Rate, Statewide:	227.62302 / 100K Ped. Pop.
Project Service Area Pediatric Population:	67,986
Projected Pediatric Patients Needing Care:	$227.62302 \times 67,986 = 155$

There were 72 pediatric patients served in the project service area last year. This suggests that there may have been 83 additional pediatric patients that needed home care but did not receive home care. Maxim is requesting authorization to serve approximately 25 pediatric patients in Year Two.

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**c. Please clarify if the applicant is basing the need for additional home health services in the proposed service area on pediatric or adult services.**

The applicant is basing need primarily on the pediatric population.

**d. Please clarify if the applicant is proposing to serve pediatric only, thus placing a condition on the CON if approved.**

The applicant needs to serve a very small number of adult patients in order for it to be financially feasible to serve pediatric patients. A condition restricting Maxim to serving only pediatric patients would not be acceptable.

Consider that this project in Year Two will serve only 36 patients, of whom approximately 11 will be adults. That compares to the service area's total home health patient population of almost 10,000 persons last year. There is no logical reason why restriction of the applicant to pediatric patients only would be necessary. Such a condition was not imposed in five prior approved applications for Maxim to serve the urban areas of the State.

**14. Section B, Need, Item 6 (Service Area Utilization)**

**a. It is noted the applicant is projecting 18 patients in Year One and 36 patients in Year Two. Please clarify the number of pediatric, adult, and geriatric patients projected in Year One and Year Two.**

	Pediatric Patients 0-17 Years (70%)	Adult Patients 18-64 Years (20%)	Geriatric Patients 65+ Years (5%)	Total Patients (100%)
Year One	12.6	4.5	0.9	18
Year Two	25.0	9.0	1.9	36

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**b. Please complete the following chart for your service area counties.**

**Total Home Health Patients Trends by County of Residence**

<b>County</b>	<b>2015 JAR Total residents served</b>	<b>2016 JAR Total residents served</b>	<b>2017 JAR Total residents served</b>	<b>'15-'17 % change</b>
Bedford	1,136	1,250	1,541	+35.7%
Cannon	472	595	871	+84.5%
Coffee	1,501	1,874	2,648	+76.4%
DeKalb	635	747	959	+51.0%
Hickman	565	658	654	+15.8%
Marshall	800	843	777	-2.9%
Maury	2,488	2,539	2,498	+0.4%
<b>Total</b>	<b>7,597</b>	<b>8,506</b>	<b>9,948</b>	<b>+30.95%</b>

**c. The table labeled “Need 6-C” on page 39c is noted. However, the number of patients in Year 2 does not add up to 36. Please clarify.**

The error was in placement of a decimal point in the patient columns. A corrected table Need-6c, revised page 39c, is attached following this page.

**d. Table Need-6D on page 39D is noted. Please clarify how the applicant calculated 311 patients in Year One and 365 in Year Two while the Projected Data Chart projects 18 and 36 in Year One and Year Two, respectively.**

The page 39d table was for the entire service area with the project included. Attached after this page is a similar table for just the proposed service area counties, labeled “Page Two” and numbered as revised page 39d-R.

**Table Need 6-C: Projected Utilization from Proposed Total Service Area, By Age and Discipline (Revised on Supplemental)**

Year One (2019)															
Discipline	Pediatric 0-17 Yrs (70%)			Adult 18-64 Yrs (25%)			Adult 65-74 Yrs (5%)			Adult 75+ Yrs (0%)			Totals (100.0%)		
	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	10.1	524.2	19,568.6	3.6	187.2	6,988.8	0.7	37.4	1,397.8	0.0	0.0	0.0	14.4	748.8	27,955.2
Aide	2.5	2.5	4,892.2	0.9	46.8	1,747.2	0.2	9.4	349.4	0.0	#REF!	0.0	3.6	187.2	6,988.8
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	12.6	526.7	24,460.8	4.5	234.0	8,736.0	0.9	46.8	1,747.2	0.0	0.0	0.0	18.0	936.0	34,944.0
Year Two (2020)															
Discipline	Pediatric 0-17 Yrs (70%)			Adult 18-64 Yrs (25%)			Adult 65-74 Yrs (5.0%)			Adult 75+ Yrs (0%)			Totals (100.0%)		
	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours	Patients	Visits	Hours
Skilled Nursing	20.2	1,048.3	39,137.3	7.2	780.0	13,977.6	1.5	156.0	2,795.5	0.0	0.0	0.0	28.8	1,497.6	55,910.4
Aide	5.0	262.1	9,784.3	1.8	0.0	3,494.4	0.4	0.0	698.9	0.0	0.0	0.0	7.2	374.4	13,977.6
Medical/Social	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Therapies (all)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	25.2	1,310.4	48,921.6	9.0	780.0	17,472.0	1.9	156.0	3,494.4	0.0	0.0	0.0	36.0	1,872.0	69,888.0

Source: Maxim management. Age Cohort percentages reflect Maxim Middle Tennessee experience. Yr Two rounding of small numbers causes Total patients across to add to 36.1. Vertical total utilized. Totals spread among age cohorts using Maxim Statewide experience. See work tables below. Cohort totals allocated 80% to skilled nursing, 20% to aide.

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9:52 A.M.

Service Area Population Tenn Dept of Health			
County	2019 Population	Percent of Total Population	
Bedford	51,420	17.5%	
Cannon	14,740	5.0%	
Coffee	57,398	19.5%	
DeKalb	20,074	6.8%	
Hickman	27,123	9.2%	
Marshall	34,274	11.6%	
Maury	89,512	30.4%	
Total	294,541	100.0%	

County	2020 Population	Percent of Total Population	
Bedford	51,961	17.3%	
Cannon	14,838	4.9%	
Coffee	57,865	19.3%	
DeKalb	20,206	6.7%	
Hickman	27,363	9.1%	
Marshall	34,648	11.6%	
Maury	92,944	31.0%	
Total	299,825	100.0%	

Table Need-6D (Page Two): Projected Utilization from Proposed Counties (Supplemental Table)						
Year One (2019)						
Counties	Patients			Total (Rounded)	Visits	Hours
	Intermittent	Private Duty				
Bedford	1.0	2.0		3	163.4	6,100.4
Cannon	0.5	1.0		2	46.8	1,748.7
Coffee	1.0	2.0		3	182.4	6,809.6
DeKalb	0.5	1.0		2	63.8	2,381.6
Hickman	0.5	1.0		2	86.2	3,217.8
Marshall	0.5	1.0		2	108.9	4,066.2
Maury	2.0	4.0		6	284.5	10,619.6
Service Area Total	6.0	12.0		18	936.0	34,944.0
** Visits are based on 3 visits per patient each week x 52 weeks; PDN Hours are based 56 per patient X 52 weeks						
Year Two (2020)						
Counties	Patients			Total (Rounded)	Visits	Hours
	Intermittent	Private Duty				
Bedford	2.0	4.0		6	324.4	12,111.9
Cannon	1.0	2.0		3	92.6	3,458.7
Coffee	2.0	4.0		6	361.3	13,488.1
DeKalb	1.0	2.0		3	126.2	4,709.9
Hickman	1.0	2.0		3	170.8	6,378.2
Marshall	1.0	2.0		3	216.3	8,076.3
Maury	4.0	8.0		12	580.3	21,664.9
Service Area Total	12.0	24.0		36	1,872.0	69,888.0

Source: Maxim management. Patients, visits and hours allocated to counties in proportion to population.

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**15. Section B. Economic Feasibility Item 3. (Historical Data Chart )**

**a. Please note salaries and rent are located in the incorrect lines in the Historical Data Chart. Please correct and include changes in the revised Historical Data Chart.**

**b. Other expenses on page 45 in the amount of \$1,336,649 in 2015, \$1,829,789 in 2015, and \$1,804,125 in 2017 are noted. Please include those totals in the Historical Data Chart and include in the revised Historical Data Chart.**

The requested revisions have been made on the revised Historic Data Chart attached following this page.

**16. Section B. Economic Feasibility Item 3. (Projected Data Chart )**

**a. Project Only Projected Data Chart**

**(1) Please specify line B.4 "Other Operating Revenue" in the amount of \$79,560 in 2019 and \$159,210 in Year Two.**

**(2) There is not a line D.1 in the Projected Data Chart. Please specify salaries as clinical (D1.a) or non-clinical (D1.B) and submit a revised Historical Data Chart.**

**(3) Other expenses in the amount of \$89,406 in 2019 and \$178,812 in 2020 on page 48 are noted. However, please include in those total in the revised Projected Data Chart.**

**b. Total Facility Projected Data Chart**

**(1) Please note salaries and wages and rent are located in the incorrect line. Please revise and submit a revised Projected Data Chart.**

**(2) Please transfer other expenses in the amount of \$2,042,515 in 2019 and \$2,372,619 in 2020 on page 50 to the line D.6 on the Projected Data Chart and include in the revised Projected Data Chart.**

The revisions requested in all of the above have been made on the two revised Projected Data Charts that are attached following this page.

## HISTORICAL DATA CHART --NASHVILLE

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2015	Year 2016	Year 2017
A. Utilization Data	PATIENTS	143	232	275
	(Specify unit or measure)			
	HOURS	342,355	493,980	573,306
	VISITS	2,195	1,625	1,907
B. Revenue from Services to Patients				
1. Inpatient Services		\$ 12,907,624	\$ 18,306,723	\$ 20,862,714
2. Outpatient Services				
3. Emergency Services				
4. Other Operating Revenue				
(Specify) See notes page				
	Gross Operating Revenue	\$ 12,907,624	\$ 18,306,723	\$ 20,862,714
C. Deductions from Gross Operating Revenue				
1. Contractual Adjustments		\$	\$	\$
2. Provision for Charity Care				
3. Provisions for Bad Debt		155,991	301,430	133,124
	Total Deductions	\$ 155,991	\$ 301,430	\$ 133,124
NET OPERATING REVENUE		\$ 12,751,634	\$ 18,005,293	\$ 20,729,590
D. Operating Expenses				
1. Salaries and Wages				
a. Clinical		\$ 7,839,160	\$ 11,089,738	\$ 12,734,447
b. Non-Clinical		827,684	1,170,890	1,344,544
2. Physicians Salaries and Wages				
3. Supplies		73,128	87,037	78,151
4. Rent				
a. Paid to Affiliates				
b. Paid to Non-Affiliates		86,031	219,325	216,470
5. Management Fees				
a. Paid to Affiliates				
b. Paid to Non-Affiliates				
6. Other Operating Expenses	See notes page.	1,336,649	\$ 1,829,789	\$ 1,804,125
	Total Operating Expenses	\$ 10,162,651	14,396,780	16,177,736
E. Earnings Before Interest, Taxes, and Depreciation		\$ 2,588,983	3,608,513	4,551,853
F. Non-Operating Expenses				
1. Taxes		\$ 1,370,232	1,997,089	2,256,762
2. Depreciation		22,070	52,124	59,968
3. Interest		61,491	67,093	74,357
4. Other Non-Operating Expenses				
	Total Non-Operating Expenses	\$ 1,453,793	\$ 2,116,306	\$ 2,391,088
NET INCOME (LOSS)		\$ 1,135,191	\$ 1,492,207	\$ 2,160,766

Chart Continues Onto Next Page

# Supplemental #1

Year 2015

March 26, 2018 Year 2017

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NET INCOME (LOSS)	\$ 1,135,191	\$ 1,492,207	\$ 2,160,766
G. Other Deductions			
1. Annual Principal Debt Repayment	\$	\$	\$
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	\$ 0	\$ 0
NET BALANCE	\$ 1,135,191	\$ 1,492,207	\$ 2,160,766
DEPRECIATION	\$ 22,070	\$ 52,124	\$ 59,968
FREE CASH FLOW (Net Balance + Depreciation)	\$ 1,157,260	1,544,331	2,220,734

X TOTAL FACILITY

O PROJECT ONLY

## HISTORICAL DATA CHART -- OTHER EXPENSES

### OTHER EXPENSES CATEGORIES

	Year 2015	Year 2016	Year 2017
1. SG&A	\$ 237,907	\$ 275,410	\$ 274,535
2. Regional Support	356,093	343,025	284,646
3. Corporate Support	742,649	1,211,354	1,244,944
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
Total Other Expenses	\$ 1,336,649	\$ 1,829,789	\$ 1,804,125

PROJECTED DATA CHART --NASHVILLE / ONLY PROPOSED ADDITIONAL COUNTIES

Give information for the last three (3) years for which complete data are available for the facility or agency.  
The fiscal year begins in January.

		Year 2019 (Year One)	Year 2020 (Year Two)
A.	Utilization Data		
	(Specify unit or measure)		
	PATIENTS	18	36
	HOURS	34,944	69,888
	VISITS	936	1,872
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 954,320	\$ 1,908,641
2.	Outpatient Services		
3.	Emergency Services		
4.	Other Operating Revenue	79,560	159,120
	(Specify) <u>See notes page</u>		
	<b>Gross Operating Revenue</b>	<b>\$ 1,033,880</b>	<b>\$ 2,067,761</b>
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$	\$
2.	Provision for Charity Care		
3.	Provisions for Bad Debt	6,597	13,194
	<b>Total Deductions</b>	<b>\$ 6,597</b>	<b>\$ 13,194</b>
	<b>NET OPERATING REVENUE</b>	<b>\$ 1,027,283</b>	<b>\$ 2,054,567</b>
D.	Operating Expenses		
1.	Salaries and Wages		
a.	Clinical	\$ 631,073	\$ 1,262,146
b.	Non-Clinical	66,631	133,261
2.	Physicians Salaries and Wages		
3.	Supplies	\$ 3,873	\$ 7,746
4.	Rent	\$	\$
a.	Paid to Affiliates		
b.	Paid to Non-Affiliates		
5.	Management Fees		
a.	Paid to Affiliates		
b.	Paid to Non-Affiliates		
6.	Other Operating Expenses	<u>See notes page</u> 89,406	178,812
	<b>Total Operating Expenses</b>	<b>\$ 790,982</b>	<b>\$ 1,581,965</b>
E.	<b>Earnings Before Interest, Taxes, and Depreciation</b>	<b>\$ 236,301</b>	<b>\$ 472,601</b>
F.	Non-Operating Expenses		
1.	Taxes	\$ 111,837	\$ 223,674
2.	Depreciation	2,972	5,944
3.	Interest	3,685	7,370
4.	Other Non-Operating Expenses		
	<b>Total Non-Operating Expenses</b>	<b>\$ 118,494</b>	<b>\$ 236,987</b>
	<b>NET INCOME (LOSS)</b>	<b>\$ 117,807</b>	<b>\$ 235,614</b>

Chart Continues Onto Next Page

NET INCOME (LOSS)	\$	<u>117,807</u>	\$	<u>235,614</u>
G. Other Deductions				
1. Annual Principal Debt Repayment	\$	<u>          </u>	\$	<u>          </u>
2. Annual Capital Expenditure		<u>          </u>		<u>          </u>
Total Other Deductions	\$	<u>0</u>	\$	<u>0</u>
NET BALANCE	\$	<u>117,807</u>	\$	<u>235,614</u>
DEPRECIATION	\$	<u>2,972</u>	\$	<u>5,944</u>
FREE CASH FLOW (Net Balance + Depreciation)	\$	<u>120,779</u>	\$	<u>241,558</u>

☐ TOTAL FACILITY

☒ PROJECT ONLY

### PROJECTED DATA CHART -- OTHER EXPENSES

#### OTHER EXPENSES CATEGORIES

	Year 2019	Year 2020
1. SG&A	\$ <u>13,605</u>	\$ <u>27,210</u>
2. Regional Support	<u>14,106</u>	<u>28,212</u>
3. Corporate Support	<u>61,695</u>	<u>123,390</u>
4.	<u>          </u>	<u>          </u>
5.	<u>          </u>	<u>          </u>
6.	<u>          </u>	<u>          </u>
7.	<u>          </u>	<u>          </u>
8.	<u>          </u>	<u>          </u>
9.	<u>          </u>	<u>          </u>
10.	<u>          </u>	<u>          </u>
11.	<u>          </u>	<u>          </u>
12.	<u>          </u>	<u>          </u>
13.	<u>          </u>	<u>          </u>
14.	<u>          </u>	<u>          </u>
15.	<u>          </u>	<u>          </u>
Total Other Expenses	\$ <u>89,406</u>	\$ <u>178,812</u>

## PROJECTED DATA CHART - NASHVILLE WITH PROJECT INCLUDED

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2019 (Year One)	Year 2020 (Year Two)
A.	Utilization Data		
	(Specify unit or measure)		
	PATIENTS	311	365
	HOURS	864,864	1,004,640
	VISITS	2,184	3,120
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 23,619,435	\$ 27,436,718
2.	Outpatient Services		
3.	Emergency Services		
4.	Other Operating Revenue		
	(Specify) See notes page		
	<b>Gross Operating Revenue</b>	<b>\$ 23,619,435</b>	<b>\$ 27,436,718</b>
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$	\$
2.	Provision for Charity Care		
3.	Provisions for Bad Debt	150,715	175,073
	<b>Total Deductions</b>	<b>\$ 150,715</b>	<b>\$ 175,073</b>
	<b>NET OPERATING REVENUE</b>	<b>\$ 23,468,720</b>	<b>\$ 27,261,645</b>
D.	Operating Expenses		
1.	Salaries and Wages		
a.	Clinical	\$ 14,417,129	\$ 16,747,170
b.	Non-Clinical	1,522,207	1,768,220
2.	Physicians Salaries and Wages		
3.	Supplies	88,478	102,777
4.	Rent		
a.	Paid to Affiliates		
b.	Paid to Non-Affiliates	413,663	424,014
5.	Management Fees		
a.	Paid to Affiliates		
b.	Paid to Non-Affiliates		
6.	Other Operating Expenses See notes page	2,042,515	2,372,619
	<b>Total Operating Expenses</b>	<b>\$ 18,483,992</b>	<b>\$ 21,414,800</b>
E.	<b>Earnings Before Interest, Taxes, and Depreciation</b>	<b>\$ 4,984,728</b>	<b>\$ 5,846,845</b>
F.	Non-Operating Expenses		
1.	Taxes	\$ 2,554,962	\$ 2,967,886
2.	Depreciation	67,892	78,864
3.	Interest	84,183	97,788
4.	Other Non-Operating Expenses		
	<b>Total Non-Operating Expenses</b>	<b>\$ 2,707,037</b>	<b>\$ 3,144,538</b>
	<b>NET INCOME (LOSS)</b>	<b>\$ 2,277,691</b>	<b>\$ 2,702,307</b>

Chart Continues Onto Next Page

**Supplemental #1****March 26, 2018**

Year 2019

Year 2020

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<b>NET INCOME (LOSS)</b>	\$	<u>2,277,691</u>	\$	<u>2,702,307</u>
G. Other Deductions				
1. Annual Principal Debt Repayment	\$	<u>                    </u>	\$	<u>                    </u>
2. Annual Capital Expenditure		<u>                    </u>		<u>                    </u>
<b>Total Other Deductions</b>	\$	<u>0</u>	\$	<u>0</u>
<b>NET BALANCE</b>	\$	<u>2,277,691</u>	\$	<u>2,702,307</u>
<b>DEPRECIATION</b>	\$	<u>67,892</u>	\$	<u>78,864</u>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	\$	<u>2,345,583</u>	\$	<u>2,781,171</u>

X TOTAL FACILITY

O PROJECT ONLY

**PROJECTED DATA CHART -- OTHER EXPENSES****OTHER EXPENSES CATEGORIES****Year 2019****Year 2020**

1.	<u>SG&amp;A</u>	\$	<u>310,811</u>	\$	<u>361,043</u>
2.	<u>Regional Support</u>		<u>322,258</u>		<u>374,340</u>
3.	<u>Corporate Support</u>		<u>1,409,446</u>		<u>1,637,236</u>
4.	<u>                    </u>		<u>                    </u>		<u>                    </u>
5.	<u>                    </u>		<u>                    </u>		<u>                    </u>
6.	<u>                    </u>		<u>                    </u>		<u>                    </u>
7.	<u>                    </u>		<u>                    </u>		<u>                    </u>
8.	<u>                    </u>		<u>                    </u>		<u>                    </u>
9.	<u>                    </u>		<u>                    </u>		<u>                    </u>
10.	<u>                    </u>		<u>                    </u>		<u>                    </u>
11.	<u>                    </u>		<u>                    </u>		<u>                    </u>
12.	<u>                    </u>		<u>                    </u>		<u>                    </u>
13.	<u>                    </u>		<u>                    </u>		<u>                    </u>
14.	<u>                    </u>		<u>                    </u>		<u>                    </u>
15.	<u>                    </u>		<u>                    </u>		<u>                    </u>
	<b>Total Other Expenses</b>	\$	<u>2,042,515</u>	\$	<u>2,372,619</u>

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**17. Section B. Economic Feasibility Item 5.A**

**Your response is noted. Please clarify how the applicant calculated average charges per hour in Year One and Year Two.**

These are Maxim's current average charges per hour and they are not projected to change.

Also, the applicant has attached replacement pages 51R and 52R after this page, to complete the titles of tables that were incomplete in the original submittal.

**18. Section B. Economic Feasibility Item 6.B.**

**The operating margin ratio in Year 1 and Year 2 appear to calculate at 31.7% not 29.94% and 30.15%. Please verify.**

The following calculations are made from the revised Historic and Projected Data Charts submitted in this supplemental response. The application directs that operating margin ratios be calculated from the Historic and Projected Data Charts. There is no current year data in those Charts. Attached following this page is a replacement page 53R for the application, showing these new tables.

For the Middle Tennessee Agency:

	2 <sup>nd</sup> Yr Previous to Current Yr	1 <sup>st</sup> Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	20.04%	22.0%	--	21.2%	21.5%

For the Project Only:

	2 <sup>nd</sup> Yr Previous to Current Yr	1 <sup>st</sup> Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	23.0%	23.0%

**5.A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.**

<b>Table Economic Feasibility 5A : Maxim Healthcare Services (Middle Tennessee)</b>					
<b>Average Charges per Visit and Per Hour</b>					
	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
<b>Gross Charge --</b> Gross Operating Revenue / PATIENT & VISIT	NA	NA	\$57,438/patient \$85/visit	\$57,438/patient \$85/visit	0%
<b>Deduction from Revenue -</b> -Total Deductions / PATIENT & VISIT	NA	NA	\$366.50/patient \$7.05/visit	\$366.50/patient \$7.05/visit	0%
<b>Average Net Charge --</b> Net Operating Revenue / PATIENT & VISIT	NA	NA	\$57,071/patient \$1097.52/visit	\$57,071/patient \$1097.52/visit	0%

**B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.**

<b>Table Economic Feasibility 5B: Maxim Healthcare Services (Middle Tennessee)</b>			
<b>Average Charges per Visit and Per Hour</b>			
Average Charge Per Visit		Average Charge Per Hour	
Skilled Nursing	Aide	Skilled Nursing	Aide
\$85.00	\$0	\$37.00	\$20.00

The revenue from the project is set forth in its Projected Data Chart in a prior section of the application. The addition of the counties involves no capital expenditures that will create debt service; and sufficient new revenues will be generated to offset the addition of clinical FTE's to provide homecare services.

**C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).**

<b>Table Economic Feasibility 5C: Cost &amp; Charge Comparisons With Service Area Agencies That Provide Similar Services</b>								
Agency*	Cost Per Visit		Charge Per Visit		Cost Per Hour		Charge Per Hour	
	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide	Skilled Nursing	HH Aide
1	NR	NR	\$79	\$40	No JAR data is reported for this.		\$35	\$22
2	NR	NR	\$101	\$46			\$80	\$35
3	NR	NR	\$150	\$75			\$40	\$30
4	NR	NR	NR	NR			\$40	\$23
							NR	NR
Maxim State Average 2017	\$58	\$18	\$85	\$50			\$23.50	\$13
2018 Medicare Reimb'mt	0	0	0	0	0	0	0	0
Maxim Proposed Agency 2019	\$58	\$18	\$85	\$50	\$23.50	\$13	\$40	\$25

*Source: 2017 Joint Annual Reports; Maxim management.*

*\*Key to Agencies:*

1. Elk Valley Health Services
2. CareAll
3. Quality First
4. Maury Regional

<b>Table Economic Feasibility 5CD: Cost Per Visit and Per Patient</b>		
	Year One--2019	Year Two--2020
Patients	18	36
Total Visits	936	1,870
<b>Skilled Nursing Visits (80%)</b>	936	1870
Cost per Skilled Visit	\$57.72	\$57.72
Total Cost, Skilled Visits	\$54,021	\$108,043
<b>Home Health Aide Visits (20%)</b>	n/a	n/a
Cost per HH Aide Visit	n/a	n/a
Total Cost, Aide Visits	n/a	n/a
<b>Total Cost, RN and Aide Visits</b>	\$701,576	\$1,403,153
<b>Total Cost Per Patient</b>	\$38,976	\$38,976

*Source: Maxim management.*

**6.A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.**

Staffing can be flexed up or down to meet fluctuating demand for care. So at any level of utilization, this proposed expansion of service area will not cause operating losses. The agency has a positive cash flow currently, and the addition of new service area counties will not adversely impact that. The project will be financially viable from the outset.

**Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.**

See Attachment Section B-Economic Feasibility-6A. Maxim's local agency does not prepare balance sheets; balance sheets are produced at the company's home office and do not pertain to individual agencies. The attachment includes the local agency's income statement, and audited financial statements for the parent company.

**B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).**

**Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:**

For the Middle Tennessee Agency:

	2 <sup>nd</sup> Yr Previous to Current Yr	1 <sup>st</sup> Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	20.04%	22.0%	--	21.2%	21.5%

For the Project Only:

	2 <sup>nd</sup> Yr Previous to Current Yr	1 <sup>st</sup> Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	NA	NA	NA	23.0%	23.0%

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**19. Section B. Economic Feasibility Item 6.C.**

**Please complete the capitalization ratio for the proposed project.**

This calculation is provided on the following page, revised page 54R.

**20. Section B, Contribution to Orderly Development, Item 2.B**

**The applicant notes this proposed project will not adversely affect existing providers if approved. However, the applicant projects 36 patients in the Year 2 of the proposed project which is 50% of the pediatric home health patients served in the 7 county service area in 2017. Please clarify how this application would not impact existing pediatric providers.**

There are two reasons. First, Maxim's entry into this rural area, with Maxim's relationships with Middle Tennessee physicians who seek home care for pediatric patients, will serve some pediatric patients who need care but are not now receiving care--i.e., new patients. See the response to your question #13b above. Not all of Maxim's pediatric patients will be taken from existing agencies.

Second, unlike Maxim, all 10 existing pediatric providers serve Medicare adults as well as youth. On the second following page is a partial reprint of applicant's Table Need-5E (page 37f of the application). It shows the following:

- The 10 providers who served 72 youth in this service area served a total of 18,765 patients of all ages, Statewide.
- Those pediatric providers served 4,548 patients of all ages from this project's proposed service area.
- Maxim's projected 25 pediatric patients in Year Two--even if all came from existing caseloads of other agencies--would be only one half of one percent of the group's total caseloads from this service area, and would be only a tenth of one percent of these agencies' Statewide patient volumes. This would not be a significant collective impact. In addition, total home health patients in this service area increased more than 30% in the past two years; so market growth should quickly replace any impact Maxim could have on these providers.
- Two existing agencies serve a small number of service area patients (38 combined); and half of those (19) are pediatric patients. Yet that small number of pediatric patients is only 3.21% and 0.22% (respectively) of their Statewide cases--again, presenting a minimal risk of significant impact from Maxim.

**C. Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business’s permanent (Long-term) financing mix. This ratio best measures a business’s true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100).**

**For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity’s audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.**

12/31/2016

Audited Financial Statements

(in thousands)

Long Term Debt	\$45,019
Long Term Debt	\$45,019
<u>SH Equity</u>	<u>\$16,370</u>
Total	\$61,389
LT Debt to Capitalization Ratio	0.73

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Partial Table Need-5E: Existing Agency Dependence on Service Area Pediatric Patients (Supplemental)									
Health Statistics ID	Agency County	Agency Patients From Project Service Area Counties	Total Agency Patients in TN	% of Agency's TN Patients Coming from Project Service Area	Agency's Pediatric Patients From Service Area Counties	Agency's Pediatric Patients From Project Service Area	Agency's Pediatric Patients From Project Service Area--As % of Agency's Total Patients from Project Service Area	Agency's Pediatric Patients From Project Service Area--As % of Agency's Statewide Patients	
19494	Davidson	Elk Valley Health Services, Inc.	30	468	6.4%	15	50.00%	3.21%	
60084	Maury	Quality First Home Care	385	1,181	32.6%	22	5.71%	1.86%	
89074	Warren	Careall Home Care Services	57	529	10.8%	5	8.77%	0.95%	
19724	Davidson	Careall	30	633	4.7%	5	16.67%	0.79%	
60044	Maury	Maury Regional Home Services	1,161	1,548	75.0%	10	0.86%	0.65%	
19584	Davidson	Home Health Care of Middle Tennessee	200	2,608	7.7%	6	3.00%	0.23%	
06063	Bradley	Home Health Care of East Tennessee, Inc	8	1,810	0.4%	4	50.00%	0.22%	
19714	Davidson	Adoration Home Health, LLC (Tennova HH)	281	1,811	15.5%	3	1.07%	0.17%	
60024	Maury	NHC Homecare	1,069	2,855	37.4%	1	0.09%	0.04%	
21024	Dekalb	Suncrest Home Health	1,327	5,322	24.9%	1	0.08%	0.02%	
		<b>TOTALS</b>	<b>4,548</b>	<b>18,765</b>	<b>24.2%</b>	<b>72</b>	<b>1.58%</b>	<b>0.38%</b>	

Source: TDH 2017 Joint Annual Reports, pp. 8-10; HSDA Registry for authorized counties.

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**21. Section B, Quality Measures**

**Please verify and acknowledge the applicant will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards upon the following factors:**

**(3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:**

**(a) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;**

The applicant acknowledges this and commits to it.

**(b) Whether the applicant will obtain and maintain all applicable state licenses in good standing;**

The applicant acknowledges this and commits to it.

**(c) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;**

The applicant acknowledges this and commits to it.

**(d) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;**

The applicant has maintained substantial compliance and will continue to do so.

**(e) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;**

The applicant has not been decertified during this period or for any period.

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**(f) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve.**

**1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable. Other acceptable accrediting organizations may include, but are not limited to, the following:**

**(xii) Community Health Accreditation Program, Inc., Accreditation Commission for Health Care, and/or other accrediting body with deeming authority for home health services from CMS and participation in the Medicare Quality Initiatives, Outcome and Assessment Information Set, and Home Health Compare, or other nationally recognized accrediting organization, for Home Health projects;**

The applicant acknowledges this and commits to it.

**(k) For Home Health projects, whether the applicant has documented its existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system;**

The applicant acknowledges this and commits to it.

## **22. Project Completion Forecast Chart**

**The Final Project Report form submission of 3/1/2018 is noted. However, it appears incorrect. Please clarify.**

The typographical error of “2018” should have read “2019”. Attached following this page is corrected page 68.

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Initial HSDA Decision Date	0	6/27/18
1. Architectural & engineering contract signed		
2. Construction documents approved by TDH		
3. Construction contract signed		
4. Building permit secured		
5. Site preparation completed		
6. Building construction commenced		
7. Construction 40% complete		
8. Construction 80% complete		
9. Construction 100% complete		
10. * Issuance of license		
11. *Initiation of service	180	On or before 1/1/19
12. Final architectural certification of payment	na	na
13. Final Project Report Form (HF0055)	210	3/1/19

\* For projects that **DO NOT** involve construction or renovation: please complete items 11-12 only.

**Note:** If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

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**22. Proof of Publication**

Please also complete the table below to help illustrate publication of the LOI for the project.

<b>Name of Newspaper of General Circulation</b>	<b>Address</b>	<b>How often is this Newspaper Distributed? (must be weekly or less)</b>	<b>Applicant's Proposed Service Area County</b>	<b>Date LOI Published</b>
Marshall County Tribune	111 West Commerce Street, Lewisburg, TN 37091	Wednesday & Friday and a shopper with just ads on Saturday	Marshall	3/9/2018
Southern Standard	105 College Street, McMinnville, TN 37110	Sunday, Wednesday & Friday	Coffee, DeKalb	3/9/2018
Tennessean	1100 Broadway, Nashville, TN 37203	Daily	Bedford, Cannon, Coffee, DeKalb, Hickman, Maury	3/9/2018

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn  
Consultant

HR 26'18 AUG 152

**Supplemental #1**

**March 26, 2018**

**9:52 A.M.**

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: Maxim Healthcare Services  
Middle Tennessee

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 26<sup>th</sup> day of March, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

Perry Garrett  
NOTARY PUBLIC

My commission expires January 6<sup>th</sup>, 2018.

HF-0043

Revised 7/02



My Commission Expires Jan. 6, 2020

# Supplemental #2 (Original)

Maxim Healthcare  
Services

CN1803-013

March 28, 2018

Phillip M. Earhart, HSD Examiner  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243

RE: CON Application CN1803-013  
Maxim Health Services

Dear Mr. Earhart:

This letter responds to your second request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

**1. Section A, 6.B (1) Plot Plan and (2) Floor Plan**

**Plot and floor plans are required for all CON applications including existing home health agencies. Please provide this information.**

The requested plot and floor plans are attached following this page. The plot plan was the only one available for the office building into which Maxim moved pursuant to its last approved CON, and was accepted for that review.

**Section B, Need, Item 1.a. (Project Specific Criteria-Home Health Services) Item #5**

**Please contact Alecia Craighead, HSDA Information and Data Analyst, to confirm that all home health agencies licensed to serve the counties in the proposed servicer area have been captured in your utilization tables. If not all of the home health agencies have been captured, please update all utilization charts.**

The applicant identified these agencies through a report from the Registry. Alecia Craighead prepared that report. The applicant only deleted from the tables the names of agencies too new to have filed JAR's for 2017, and also were too limited in scope to be included as "similar" providers: Pentec; Implanted Pump Management; and Optum Health.

Page Two  
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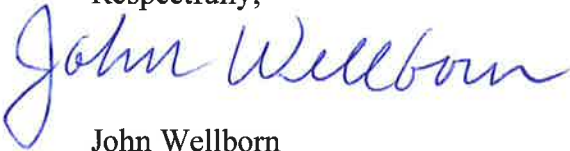
**2. Section B. Economic Feasibility Item E.1.**

**3. Replacement page 51R is noted. Even though the data per patient appear to be correct, the data per visit does not. Please make the appropriate corrections and submit a revised Page 51.**

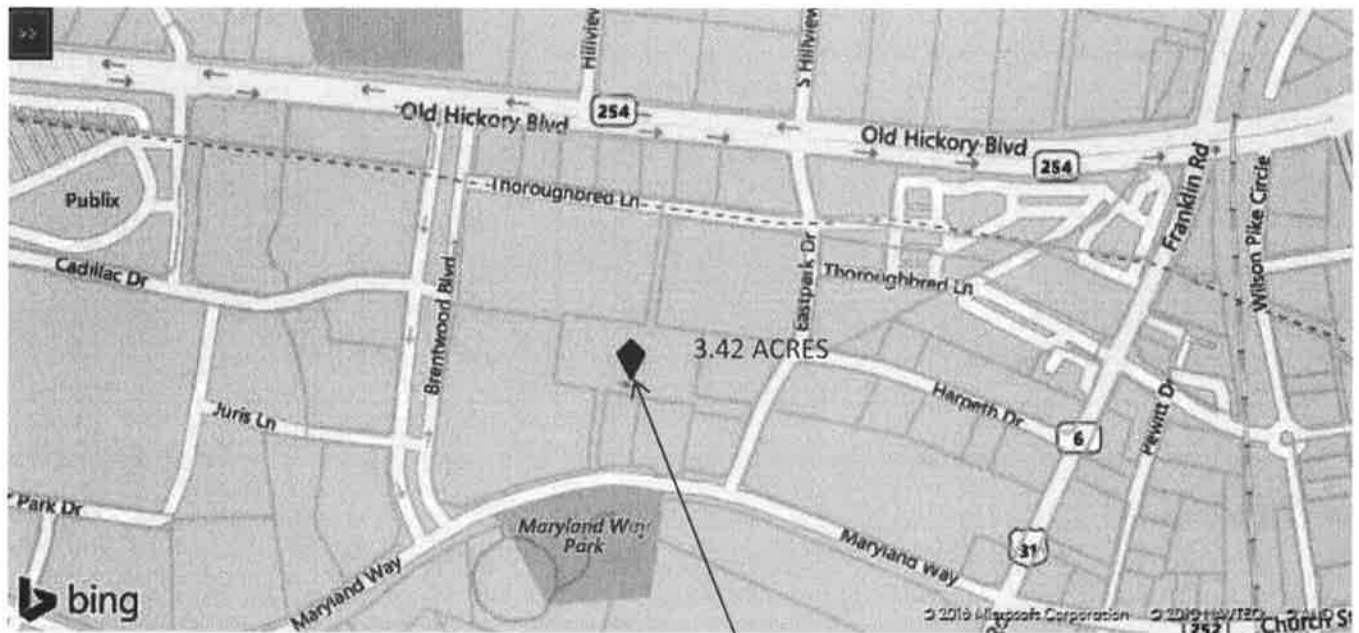
To clarify, the Project Development Chart (for the project only) has two revenue lines. The lower one, \$79,560, is gross revenue just for visits. So the applicant divided that by the 936 visits for the data per visit:  $\$79,560 / 936 = \$85$ . The table on page 51 is accurate.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,



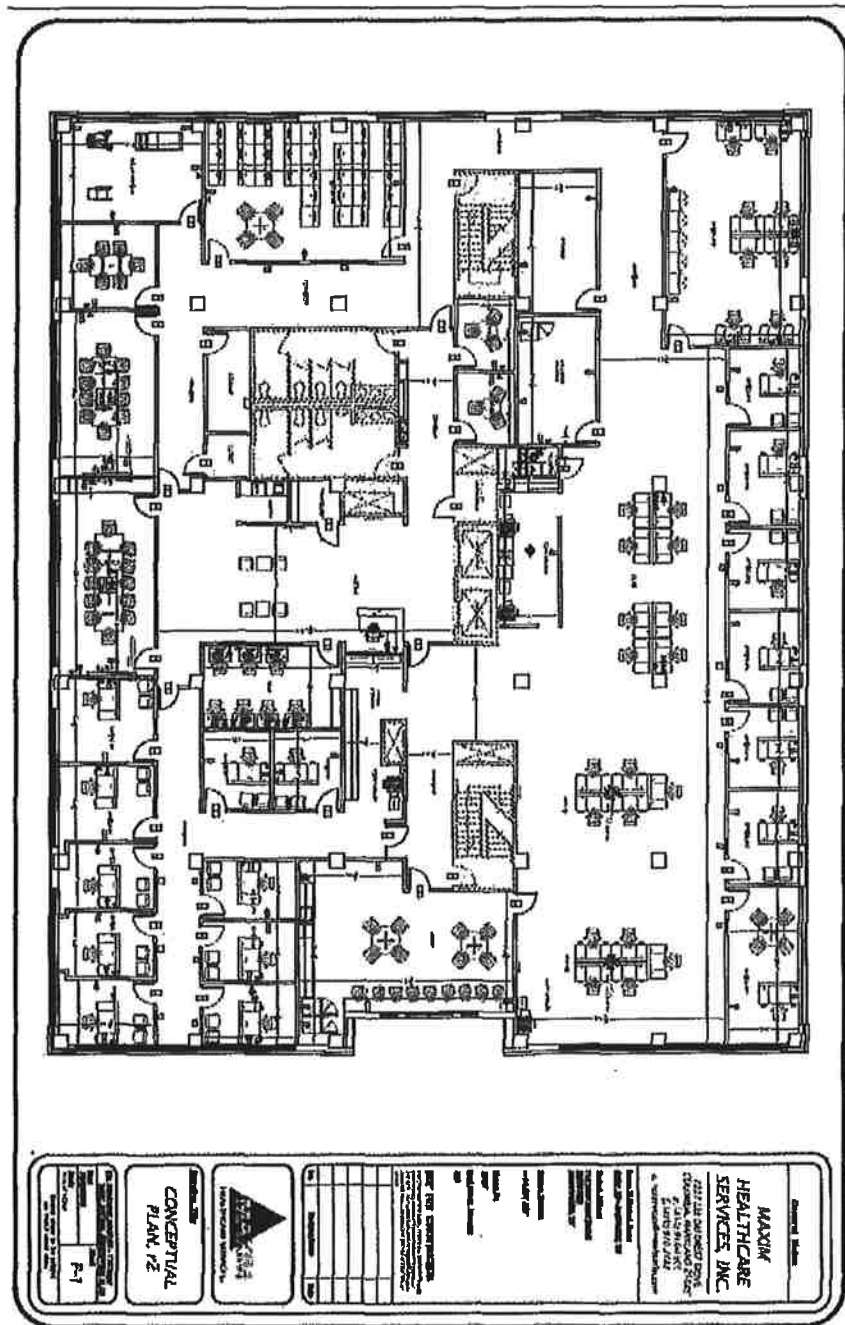
John Wellborn  
Consultant



115 East Park Drive  
Brentwood, TN

EXHIBIT B  
Section 3

Floor and Detail Plans



**March 28, 2018**

**1:18 P.M.**

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: Maxim Health Care Services

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 28<sup>th</sup> day of March, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

[Signature]  
NOTARY PUBLIC

My commission expires July 2, 2018.

HF-0043

Revised 7/02

